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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

ROSARIO R. TINA and JESUS G. TINA, Plaintiffs, v. DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A. and DSL SERVICE COMPANY, Defendants.	Case No. 08 CV 1004 BTM POR **DEFENDANTS DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A.'S AND DSL SERVICE COMPANY'S RESPONSE TO THE COURT'S ORDER TO SHOW CAUSE RE DISMISSAL** Ctrm; 15 Judge: Hon. Barry Ted Moskowitz [Complaint Filed: June 5, 2008]

Defendants Downey Savings and Loan Association, F.A. ("Downey Savings") and DSL Service Company ("DSL") respectfully submit the following response to the Court's Order to Show Cause why Plaintiffs Rosario R. Tina's ("R. Tina") and Jesus G. Tina's ("J. Tina") (collectively, "Plaintiffs") complaint should not be dismissed ("OSC").

I.

INTRODUCTION

The Court's OSC identified three potential reasons this case should be dismissed: "(1) Pursuant to 15 U.S.C. § 1635, the right of rescission only extends to transactions in which a security interest is acquired in a property that is the principal dwelling place of the borrower; (2) Rosario R. Tina lacks standing because she was not a party to the underlying credit transaction; and (3) Plaintiffs lack standing to prosecute these claims because they belong to the bankruptcy trustee." OSC at 1. All three of the reasons identified by the Court in its OSC support dismissal.

First, the Truth in Lending Act ("TILA") states unequivocally that its rescission rights extend only to credit transactions in which the lender acquires a security interest in the borrower's principal residence. Notwithstanding Plaintiffs' conclusory allegations regarding TILA's applicability to the loan transaction involving their property located at 865 Euclid Avenue, San Diego, California (the "Property"), Plaintiffs have not alleged that the Property was their principal residence at the time of the loan transaction. This failure, standing alone, mandates dismissal of Plaintiffs' complaint. Because Plaintiffs have admitted, both in their loan application and in open court, that the Property was not their principal residence, the Court should dismiss the complaint with prejudice as leave to amend would be futile.

Second, R. Tina cannot pursue the TILA claims alleged in the complaint because she was not a party to the March 2006 loan transaction alleged in the complaint. On the same day J. Tina applied for the loan at issue, R. Tina conveyed all of her interest in the Property to J. Tina (her husband) by way of an interspousal grant deed and grant deed.[1] A plaintiff asserting a TILA claim must have an ownership interest in the property at issue. R. Tina had no such ownership interest at the time of the transaction and she therefore cannot pursue the TILA claims alleged in the complaint. This defect is also not curable and the Court should dismiss the complaint as to R. Tina with prejudice.

Finally, Plaintiffs' claims are also subject to dismissal for lack of prudential standing: Plaintiffs do not own the claims they allege in their complaint. On September 10, 2007 Plaintiffs filed a Chapter 7 bankruptcy petition in the United States Bankruptcy Court for the Southern District of California, case number 07-05003-PB7. As a matter of bankruptcy law, Plaintiffs' bankruptcy filing created an estate comprised of all of their assets, including all causes of action that had accrued as of the petition date. Plaintiffs' causes of action are founded on Downey Savings' alleged TILA violations regarding a 2006 loan transaction and involve allegedly deficient disclosures related to that loan transaction. Plaintiffs have alleged both that Downey Savings did not make required disclosures and that the disclosures Downey Savings made were deficient. Because Downey Savings' alleged improper disclosures occurred in connection with the 2006 loan transaction, Plaintiffs' TILA claims accrued before Plaintiffs filed bankruptcy in 2007 and are therefore part of the bankruptcy estate, subject to the control of the bankruptcy trustee, not Plaintiffs.

II.

FACTUAL BACKGROUND

On March 22, 2006 J. Tina signed a loan application for a mortgage to be secured by the Property. (Declaration of Denise Moeller "Moeller Decl.," Ex. A.) On the loan application

[1] As was appropriate given his status as the Property's sole owner, J. Tina was the only borrower listed on the loan application related to the March 2006 loan transaction.

J. Tina stated that the purpose of the loan was to refinance an investment property. (Moeller Decl., Ex. A.) J. Tina is the only borrower listed on the loan application. (*Id.*) That same day, R. Tina conveyed all of her interest in the Property to J. Tina by way of an interspousal grant deed and a grant deed. (Moeller Decl., Ex. B.)

Plaintiffs allege that this transaction was governed by TILA and that Downey Savings was required to make certain disclosures in connection with it. (Complaint ¶¶ 6, 11-13.) Plaintiffs further allege that Downey Savings did not make all of the requisite disclosures and that the disclosures Downey Savings did make violated TILA. (Complaint ¶¶ 12-13.) According to Plaintiffs, Downey Savings' alleged TILA violations give Plaintiffs the right to rescind the loan transaction "for three years from the date of consummation of the loan pursuant to 15 U.S.C. (f) [sic]." (Complaint ¶ 16.)[2]

On September 10, 2007 Plaintiffs filed a Chapter 7 bankruptcy petition in the United States Bankruptcy Court for the Southern District of California. (Declaration of J. Barrett Marum In Support of Defendants Downey Savings and Loan Association, F.A.'s and DSL Service Company's Opposition to Plaintiffs' Ex Parte Application for a Temporary Restraining Order, filed as Document Number 8 "Doc. No. 8," Ex. A.) Plaintiffs did not list the TILA claims alleged in their complaint against Downey Savings in their bankruptcy schedules. (*Id.*) In fact, although Plaintiffs listed other causes of action against a variety of individuals and companies in their schedules, they did not list any claims against Downey Savings (or against DSL). (Doc. No. 8,

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[2] As the Court correctly noted at the hearing on Plaintiffs' application for a temporary restraining order, to effect rescission Plaintiffs would have to return to Downey Savings the principal balance of the loan. (Declaration of J. Barrett Marum "Marum Decl.," Ex. A at 6:25-7:24.) Such relief would make little sense in this case as the most recent appraisal of the Property indicates a value of only $350,000 and the principal balance of the loan is $425,000. (Moeller Decl., Exs. A, C.)

Ex. A.) On December 11, 2007 the bankruptcy court discharged Plaintiffs' bankruptcy case. (*Id.*, Ex. B.)[3]

III.

DISCUSSION

A. TILA's Rescission Rights Do Not Apply to the March 2006 Loan Transaction Because the Property is Not the Plaintiffs' Principal Dwelling.

15 U.S.C. § 1635 gives borrowers the right to rescind certain consumer credit transactions. It provides, in pertinent part that:

> [I]n the case of any consumer credit transaction . . . in which a security interest . . . is or will be retained or acquired in any property which is used as the principal dwelling of the person to whom credit is extended, the obligor shall have the right to rescind the transaction until midnight of the third business day following the consummation of the transaction or the delivery of the information and rescission forms required under this section together with a statement containing the material disclosures required under this subchapter, whichever is later, by notifying the creditor, in accordance with regulations of the Board, of his intention to do so.

15 U.S.C. § 1635(a) (emphasis supplied). Thus, the plain text of the statute provides that the TILA rescission right triggered by a lender's disclosure failures applies only to credit transactions involving a security interest in the borrower's "principal dwelling." *See also Aschoff v. Osmond State Bank*, 760 F.2d 201, 202 (8th Cir. 1985) (affirming the district court's dismissal of the complaint and holding that "[t]he right of rescission, however, only applies to loans secured by the

[3] Prior to discharge, the bankruptcy trustee abandoned the Property (thereby returning its ownership to the Plaintiffs) after the bankruptcy trustee concluded there was no equity in it. (Doc. No. 8, Ex. C.) The bankruptcy trustee's decision to abandon the Property, however, does not constitute a decision to abandon the TILA claims alleged in the complaint insofar as there is no indication that the trustee knew about them, let alone specifically decided to abandon them and provided the required notice to creditors that he intended to do so to effectuate an abandonment. *See* 11 U.S.C. § 554; Fed. R. Bankr. Proc. 6007(a).

debtor's principal place of residence"). Investment properties do not constitute principal dwellings for TILA purposes. *See Antanuos v. First National Bank of Arizona*, 508 F.Supp.2d 466, 471 (E.D. Va. 2007) ("Credit transactions secured by real or personal property used for *other* purposes, such as commercial rental property, fall outside the scope of TILA's coverage.") (emphasis in original).

Here, Plaintiffs have not alleged sufficient facts in their complaint that, if proven, would demonstrate that the Property was their principal dwelling such that they enjoyed a right to rescind the March 2006 loan transaction under TILA. (*See* Complaint ¶¶ 6-10.) Nor is Plaintiffs' conclusory legal allegation that "[t]his consumer credit transaction was subject to the Plaintiff's [sic] right of rescission" sufficient to save the complaint from dismissal. (Complaint ¶ 11); *see Ove v. Gwinn*, 264 F.3d 817, 821 (9th Cir. 2001) ("conclusory allegations of law and unwarranted inferences are insufficient to defeat a motion to dismiss"); *Western Mining Council v. Watt*, 643 F.2d 618, 624 (9th Cir. 1981) ("We do not, however, necessarily assume the truth of legal conclusions merely because they are cast in the form of factual allegations.") Plaintiffs' failure to allege sufficient facts to demonstrate the applicability of the rescission right provided by TILA to the March 2006 loan transaction mandates dismissal of their complaint.[4] *See Aschoff*, 760 F.2d at 202 (upholding district court's dismissal of plaintiffs' complaint where the record showed that the loans were not secured by the borrowers' principal residence.)

The Court's dismissal should be with prejudice as Plaintiffs' cannot cure these deficiencies. Dismissal without leave to amend is proper if it is clear that the complaint could not be saved by amendment. *Eminence Capital, LLC v. Aspeon, Inc.*, 316 F.3d 1048, 1052 (9th Cir. 2003) (per curiam). The loan application signed by J. Tina states clearly that the Property is an investment Property. (Moeller Decl., Ex. A.) R. Tina also admitted in open court at the June 18,

[4] Though Plaintiffs allege two different disclosure failures in their complaint, both allegedly give rise to the same remedy – rescission under TILA. (Complaint ¶¶ 12-13, 16.)

2008 hearing on Plaintiffs' application for a temporary restraining order that the Property was not her and her husband's principal residence:

> The Court: . . .The first thing I wanted to ask is this property that we are talking about, Ms. Tina, was this your residence when you got the loan?
>
> Ms. Tina: No, sir.

(Marum Decl., Ex. A at 2:19-22.) Plaintiffs therefore cannot, in compliance with Federal Rule of Civil Procedure 11, allege that the Property served as their principal dwelling at the time of the loan transaction. *See* FED. R. CIV. PROC. 11(b) ("By presenting to the court a pleading . . . an attorney or unrepresented party certifies that to the best of the person's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances . . . the factual contentions have evidentiary support[.]") Accordingly, leave to amend the complaint would be futile and the Court should dismiss this case with prejudice.

B. R. Tina Cannot Pursue the TILA Claims Alleged in the Complaint Because She Was Not a Party to the Loan Transaction or an Owner of the Property at the Time the Loan Transaction was Consummated.

R. Tina conveyed all of her interest in the Property to J. Tina on March 22, 2006. (Moeller Decl., Ex. B.) That same day, J. Tina, as the sole borrower, applied for the loan at issue in the complaint. (*Id.*, Ex. A.) Because R. Tina was not a party to the loan transaction and did not own the Property at the time of the transaction, she cannot assert TILA claims based on it. *Crevier v. Welfare & Pension Fund for Local 701*, 820 F.2d 1553, 1556-1557 (9th Cir. 1987) (holding that a person who does not own a piece of property at the time of a loan transaction may not bring TILA claims against the lender related to that transaction).

C. The TILA Claims Alleged in the Complaint are Property of the Bankruptcy Estate and the Plaintiffs Have no Standing to Pursue Them.

1. Causes of action not listed on a debtor's bankruptcy schedules and which the trustee has not specifically abandoned remain property of the debtor's bankruptcy estate.

An individual's decision to file bankruptcy creates an estate that includes "all legal or equitable interests of the debtor in property as of the commencement of the case." 11 U.S.C. § 541(a)(1). The bankruptcy code places an affirmative duty on the debtor to schedule all assets in the bankruptcy petition. *Cusano v. Klein*, 264 F.3d 936, 945 (9th Cir. 2001). A debtor's assets include causes of action that accrued prior to the petition. *Id.* at 947. The accrual inquiry does not focus on when the debtor may have discovered the cause of action or whether the statute of limitations may be tolled, but instead on when the debtor could have brought a lawsuit. *Cusano*, 264 F.3d at 947.

"[P]roperty of the estate that is not scheduled and not otherwise administered before a case is closed is not abandoned to the debtor at the time of closing, but rather remains property of the estate-forever." *In re JZ L.L.C.*, 371 B.R. 412, 418 (B.A.P. 9th Cir. 2007). "Causes of action are separate assets which must be formally listed. Simply listing the underlying asset out of which the cause of action arises is not sufficient." *See Cusano*, 264 F.3d at 947.

The trustee can abandon an asset only after providing notice to creditors. Fed. R. Bankr. Proc. 6007(a). Until that occurs, however, the asset remains part of the bankruptcy estate, even after the court discharges the debt. *Dunmore v. United States*, 358 F.3d 1107, 1112 (9th Cir. 2004). As a result, when a debtor fails to schedule a cause of action that accrued prior to bankruptcy, the bankruptcy estate owns the cause of action and the bankruptcy trustee is the real party in interest. *Id.*

2. Plaintiffs lack standing to pursue the TILA claims alleged in the complaint.

The TILA claims alleged in the complaint involve Downey Savings' alleged disclosure failures in connection with a 2006 loan transaction. (Complaint ¶¶ 12-13.) Since Plaintiffs could have brought those claims at any time after Downey Savings allegedly committed these disclosure failures, the TILA causes of action accrued in 2006. Plaintiffs did not list the TILA claims on their schedules, the bankruptcy trustee did not specifically abandon them and they therefore remain property of the bankruptcy estate. (Doc. No. 8, Ex. A); *In re JZ L.L.C.*, 371 B.R. at 418. As a result, Plaintiffs lack prudential standing to pursue the TILA claims alleged in their complaint. *Dunmore*, 358 F.3d at 1112.

Uncured, this standing defect mandates dismissal of Plaintiffs' complaint because Plaintiffs are not the real parties in interest. Fed. R. Civ. Proc. 17(a); *see also Elk Grove Unified School Dist. v. Newdow*, 542 U.S. 1, 12 (2004) ("prudential standing encompasses "the general prohibition on a litigant's raising another person's legal rights[.]") Rule 17(a) provides that dismissal of a complaint for failure to prosecute in the name of the real party in interest is appropriate when "after an objection, a reasonable time has been allowed for the real party in interest to ratify, join, or be substituted into the action." Fed. R. Civ. Proc. 17(a)(3).

Here, Downey Savings first objected to the Plaintiffs' lack of standing on June 16, 2008 in Downey Savings' opposition to Plaintiffs' *ex parte* application for a temporary restraining order. Shortly thereafter, Downey Savings notified the bankruptcy trustee of this action. (Marum Decl. ¶ 3.) Approximately three weeks later, Plaintiffs still have not cured this standing defect nor provided any indication that they intend to do so. Dismissal for lack of standing is therefore appropriate.

IV.

CONCLUSION

For these foregoing reasons, Downey Savings and DSL respectfully request that the Court dismiss Plaintiffs' complaint in its entirety with prejudice.

Dated: July 3, 2008

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By s/J. Barrett Marum

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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

ROSARIO R. TINA and JESUS G. TINA,

Plaintiffs,

v.

DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A. and DSL SERVICE COMPANY,

Defendants.

Case No. 08 CV 1004 BTM POR

DECLARATION OF J. BARRETT MARUM IN SUPPORT OF DEFENDANTS DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A.'S AND DSL SERVICE COMPANY'S RESPONSE TO ORDER TO SHOW CAUSE RE DISMISSAL

Ctrm; 15
Judge: Hon. Barry Ted Moskowitz

[Complaint Filed: June 5, 2008]

I, J. Barrett Marum, declare as follows:

1. I am an attorney admitted to practice in California and before this Court. I am an associate at Sheppard, Mullin, Richter & Hampton, LLP ("Sheppard Mullin"), counsel of record for Defendants Downey Savings And Loan Association, F.A ("Downey Savings") and DSL Service Company ("DSL"). I have personal knowledge of the facts set forth herein, and, if asked to do so, I could and would testify competently under oath to the truth of such facts.

2. Attached as **Exhibit A** is a true and correct copy of the transcript for the June 18, 2008 hearing regarding Plaintiffs' *ex parte* application for a temporary restraining order.

3. On or about June 18, 2008 I contacted the bankruptcy trustee appointed for the Plaintiffs' bankruptcy case, Mr. Greg Akers, and informed him of the Plaintiffs' claims in this action. At that time, I provided Mr. Akers with, among other things, the Complaint, Plaintiffs' application for a temporary restraining order, Downey Savings' opposition to Plaintiffs' application for a temporary restraining order and copies of Downey Savings' disclosures in connection with the March 2006 loan transaction. On June 24, 2008 I provided Mr. Akers with a copy of the Court's Order to Show Cause re Dismissal. I do not know whether Mr. Akers intends to take a position regarding the Court's Order to Show Cause re Dismissal.

I declare under penalty of perjury under the laws of the State of California that the facts stated in this declaration are true and correct. Executed on July 3, 2008, at San Diego, California.

s/J. Barrett Marum

EXHIBIT A

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF CALIFORNIA

ROSARIO R. TINA, et al., ,

Plaintiff,

vs.

DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A, et al.,

Case No. 08cv-1004BTM

San Diego, California

June 18, 2008

Motion Hearing

BEFORE THE HONORABLE BARRY TED MOSKOWITZ
UNITED STATES DISTRICT JUDGE

APPEARANCES:

For the Plaintiff: Rosario R. Tina, pro se

865 Euclid Avenue
San Diego, CA 92114

For the Defendant: J. Barrett Marum
Sheppard Mullin Richter & Hampton
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Official Reporter: Barbara Harris CM/RPR/CRR
880 Front Street
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619-990-3116

San Diego, California - June 18, 2008

THE CLERK: Case number 4 on calendar, 08cv1004, Tina, et al., vs. Downey Savings and Loan Association, on for motion hearing. 17:02:21

MR. MARUM: Good afternoon, your Honor. Barrett Marum with Shepherd Mullen Richter & Hampton for defendants.

MS. TINA: My name is Rosalia Tina, sir.

THE COURT: Okay. And who is the gentleman with you? 17:02:45

MS. TINA: He is my friend, sir, trying to explain for me, sir.

MR. CLEVELAND: She don't quite understand English, sir, and she asked me to come with her.

THE COURT: Your name, sir? 17:02:57

MR. CLEVELAND: My name is Jay Cleveland.

THE COURT: Mr. Cleveland, why don't you have a seat over there.

The first thing I wanted to ask is this property that we are talking about, Ms. Tina, was this your residence 17:03:09 when you got the loan?

MS. TINA: No, sir.

THE COURT: Because I don't think the statute applies if it's not your residence. The rescission, the rescission I don't think applies if it's not your residence. 17:03:27

MS. TINA: No, sir.

THE COURT: Well, we will have to leave -- this was a rental property?

MS. TINA: Yes.

THE COURT: Okay. We will have to leave that issue open. Right now the only thing that the defendant is saying is that this claim belongs to the bankruptcy court. So do you want to be heard on that? 17:03:41

MR. MARUM: Your Honor, the Tinas filed bankruptcy in September of 2007. All of their truth in lending claims alleged in the complaint relate to a loan transaction that occurred in March of 2006, and because their claims relate to alleged disclosure failures in connection with that loan transaction, they had accrued at the time the Tinas filed bankruptcy. 17:04:04 17:04:23

Because they then filed bankruptcy that created an estate of all of the Tinas' properties, including personal property, such as legal causes of action.

The trustee has not abandoned those claims yet, and until the trustee does abandon the claims they remain property of the bankruptcy estate. 17:04:38

I spoke with the trustee today, Mr. Greg Akers. Today was the first time that he had heard about these claims. I have sent him the complaint and the TRO application as well as our opposition to the TRO application, 17:04:53

and he has told me that he is going to examine the claims and essentially decide what the trustee -- what he would like to do with them. It may be that he chooses to abandon the claim.

THE COURT: How much equity is left in the property? 17:05:07

MR. MARUM: The property is actually about $100,000 underwater, your Honor.

THE COURT: So it's likely they are going to abandon the claim because there is really nothing to recover. 17:05:15

MR. MARUM: He may abandon them or he may dismiss the lawsuit. I don't know what he is going to do. We have also explored-- we may have discussions with him that may result in a dismissal in exchange for something that comes into the bankruptcy estate from my client, but I haven't done 17:05:32 that with him yet because he just learned about these claims yesterday.

THE COURT: What is the effect that it was not their principal dwelling?

MR. MARUM: I believe your Honor is correct. I 17:05:47 don't think the statute applies. It certainly doesn't apply to a three-day notice of the right to cancel because it was an investment property.

I have the loan application with me, if your honor would like to look at it. They indicated on the loan 17:05:59

application, as Ms. Tina said today, that it is an investment property. The Truth in Lending Act generally applies to consumer transactions, it does not apply to investment transactions, and this was an investment transaction.

THE COURT: You indicated in your papers that you're willing to postpone the foreclosure until what date? 17:06:19

MR. MARUM: July 24th, and it actually already has been postponed, your Honor, until then.

THE COURT: So why shouldn't I enter a temporary restraining order just until July 23rd? And then if you're 17:06:40 right on the bankruptcy issue and the statutory issue is the way that it might be, then there is a third issue that I'm going to bring up, but if all those things do not fall in the favor of the plaintiffs, then I would just dissolve the stay.

MR. MARUM: If your honor is considering doing 17:07:07 that, I would ask that your Honor do it several days in advance of July 24th because if, for whatever reason, the bank decides not to go forward with the foreclosure sale on the 24th, if we are engaged in discussions with the trustee and they want to push it out, they need to provide some 17:07:25 additional notice beyond just a day or so, I believe.

THE COURT: Well, what would you suggest?

MR. MARUM: Perhaps the 20th if your honor is considering that. I don't know if that falls on a weekday or not. 17:07:47

THE COURT: July 21st is a Monday. The 24th is a Thursday.

MR. MARUM: The 21st is the day that I would suggest if your Honor is considering this, but I would like to reiterate that my client would rather not have any order from the court. I don't think -- 17:07:58

THE COURT: Well, the reason I'm thinking of it is say you change your mind. Then we're back in having to decide this really quickly. So this would keep the status quo. 17:08:16

I may dissolve the stay if I don't think there is any basis for it sooner than that, but at least it would prevent you from changing your mind.

MR. MARUM: Well, your Honor, I don't believe that we can move the foreclosure date up now that it's set for the 17:08:24 24th. I believe that now that we have noticed it for the 24th, I don't think that the bank can advance that date, even if it chose to.

THE COURT: Then you can't be prejudiced. If the form of the order said that there is a stay until the 21st, 17:08:42 once the stay is lifted --

MR. MARUM: That's correct.

THE COURT: -- you could still go ahead on the 24th.

The other issue, Ms. Tina, is this: That even if 17:08:57

you are right, and it undoes the security interest, you still have to pay back the money you got, and if you can't do that you can't get rescission.

In other words, even if they didn't -- if you filed the three-day notice or rescinded it or they didn't give you full disclosure, all that means is you get to undo the transaction, the lien is wiped off your property, but you have to pay them back the money that they gave you. 17:09:15

How much money -- what was the loan for?

MR. MARUM: The current balance is about $450,000. 17:09:30

THE COURT: Well, it's the amount that you -- the principal that you loaned, not the accrued interest.

MR. MARUM: $425,000.

THE COURT: So you would have to pay them $425,000. Do you understand that? It doesn't wipe -- you don't get -- because if they made a mistake, it doesn't mean that you don't owe them the $425,000 anymore. It just means that you get to give them the four hundred -- it's like you wanted to rescind? 17:09:45

Well, when you rescind you give them the money back and the property is yours again, but if you don't give them the money back you can't get the property back. Do you see what I'm saying? 17:10:00

MS. TINA: Yes, sir.

THE COURT: And so otherwise you would -- it would 17:10:16

be a big penalty on them, and the law doesn't provide for that.

So if you rescinded, say you got the three-day notice and you rescinded, all that means is they wouldn't have given you the money, because they don't give you the money until the three-day period is up, and the transaction never goes through. But you got the money; right? 17:10:29

MS. TINA: I didn't get the money, right now.

THE COURT: No, no, when you did the transaction two years ago you got the $425,000; correct? 17:10:43

MS. TINA: I think so.

THE COURT: What was the purpose of the transaction? Why did you get a loan?

MR. CLEVELAND: She got a loan, she purchased a building and she purchased it for her grandson, which the grandson and a son live in the property right now. 17:11:08

THE COURT: In another building?

MR. CLEVELAND: No, it's only like two units there. Her son lives in one unit and her grandson lives in the other one. 17:11:27

THE COURT: So she used the money from this transaction to purchase two units.

MR. CLEVELAND: Yes.

MR. MARUM: If I can interject, your Honor, just for the sake of clarity, there are two loan transactions. 17:11:34

There is a 2004 loan transaction, which I think is what Mr. Cleveland is talking about. That was the purchase transaction. That was also with my client, Downey Savings.

The transaction at issue is --

THE COURT: Is 2006. 17:11:46

MR. MARUM: -- is 2006, and that was a refinance transaction. And that actually involved just Mrs. Tina's husband, Jesus Tina, as his separate property. It was not Ms. Tina as part of that transaction.

THE COURT: So then how would she have standing? 17:12:03

MR. MARUM: She doesn't have standing, your Honor. Mr. Tina has standing, except for the fact the bankruptcy trustee is the one that owns the claims.

THE COURT: Well, are you going to raise these issues? 17:12:19

MR. MARUM: I will, your Honor, yes.

THE COURT: When are you going to file your papers on the merits?

MR. MARUM: Our responsive pleading is due the 26th, I believe, to the complaint, your Honor. 17:12:27

THE COURT: But what about on motion?

MR. MARUM: This motion here, your Honor?

THE COURT: Right.

MR. MARUM: Is the court going to put it over for further briefing? 17:12:39

THE COURT: I am. That's why I'm asking when can you get your brief in.

MR. MARUM: When would your Honor like it? I can get it in by the end of the week, or early next week.

THE COURT: Why don't I do this: Why don't I issue an order to show cause as to why the case shouldn't be dismissed because the claim belongs to the bankruptcy trustee and/or Mr. Tina, but not Ms. Tina. 17:12:48

You would have to establish why it's your claim.

Also as to whether she can repay, carry out rescission, and also whether the case should be dismissed because it doesn't fall within the ambit of the statute that is 15 USC Section 1635, which talks about a principal place, a principal dwelling of the person to whom the credit is extended. 17:13:02 17:13:28

So why don't I put all that in an order to show cause. I will issue the order to show cause this week as to why the case shouldn't be dismissed, and why don't I have simultaneous briefing on it.

How long would it take you to get your papers in? 17:13:41

MR. MARUM: I can have them in early next week, your Honor.

THE COURT: I will give you more time than that because I am going to give them more time.

MR. MARUM: The end of next week then or the week 17:13:50

after would be fine.

THE COURT: Do you see the three issues?

MR. CLEVELAND: Yes. She has a letter from the doctor as to the husband. She has a letter here that she signed on his behalf. 17:14:03

THE COURT: Well, put that in -- you can tell her to put that in the papers when she responds to the order.

MR. CLEVELAND: Okay. Yes, sir.

THE COURT: I don't know. If she is the attorney-in-fact for him then she may be his representative 17:14:13 and then she would have standing if it's not the bankruptcy trustee. So put all that -- tell her to put all that in the papers.

MR. CLEVELAND: Yes, sir.

THE COURT: She should really consider getting a 17:14:22 lawyer. You can't act as her lawyer.

MR. CLEVELAND: Oh, no. They have a lawyer. Just at the time she received these papers this morning, it was FedEx'ed, and her granddaughter picked it up and didn't give it to her until this morning and then she seen it and then 17:14:35 ran over to the attorney and he was gone and stuff.

So I called here and the lady said we had to be here at 4:00, so she wanted me to come with her to help on her behalf.

THE COURT: All right. So what if I do this, 17:14:50

because you are going to get an attorney. We will issue the order to show cause and what if everyone -- we will issue it by the end of this week, which is the 20th, and so what if you respond by, everybody responds by, July 3rd?

MR. MARUM: That's fine with us, your Honor. 17:15:15

THE COURT: And I'll give you a ruling probably by the 9th in writing. Okay? But at this point I am going to enter a temporary restraining order to the 21st of July. I may on the 9th vacate that. All right?

MR. MARUM: Thank you, your Honor. 17:15:41

MR. CLEVELAND: Thank you, sir.

THE COURT: Okay. Have a good day.

MR. CLEVELAND: You, too.

THE COURT: All right, court is in recess.

MR. CLEVELAND: Excuse me. Is there any way we can 17:16:28 get a copy of that temporary restraining order?

THE COURT: It will be mailed to you.

MR. CLEVELAND: Okay. Yes, sir.

MS. TINA: Thank you, sir.

MR. CLEVELAND: Thank you very much. 17:16:43

THE COURT: If you don't get it by -- we are on the record; right?

THE REPORTER: Yes.

THE COURT: If you don't get it by Tuesday, then call my law clerk and we will make sure somehow you get it. 17:16:53

MR. CLEVELAND: All right, sir.

THE COURT: All right?

MR. CLEVELAND: Yes, sir.

THE COURT: All right. Thank you.

(This matter was in recess.)

CERTIFICATION

I hereby certify that I am a duly appointed, qualified and acting official court reporter for the United States District Court; that the foregoing is a true and correct transcript of the proceedings had in the aforementioned cause; that said transcript is a true and correct transcription of my stenographic notes; and that the format used herein complies with the rules and requirements of the United States Judicial Conference.

Dated: June 20, 2008 at San Diego, California

S/Barbara Harris

Barbara Harris, Official Reporter

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Attorneys for Defendants DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A. and DSL SERVICE COMPANY

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

ROSARIO R. TINA and JESUS G. TINA, Plaintiffs, v. DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A. and DSL SERVICE COMPANY, Defendants.	Case No. 08 CV 1004 BTM POR **DECLARATION OF DENISE MOELLER IN SUPPORT OF DEFENDANTS DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A.'S AND DSL SERVICE COMPANY'S RESPONSE TO ORDER TO SHOW CAUSE RE DISMISSAL** Ctrm; 15 Judge: Hon. Barry Ted Moskowitz [Complaint Filed: June 5, 2008]

I, Denise Moeller, declare as follows:

1. I am the Senior Vice President/Director of Lending Operations for Downey Savings and Loan Association, F.A ("Downey Savings"). I have personal knowledge of the facts set forth herein, and, if asked to do so, I could and would testify competently under oath to the truth of such facts.

2. As the Senior Vice President/Director of Lending Operations, I am responsible for overseeing all of Downey Savings' lending operations. My job duties include overseeing certain of Downey Savings' loan origination lending practices, and implementing policies that ensure Downey Savings' loan files for all of its loan transactions are complete and accurate.

3. In the regular course of its business, Downey Savings maintains loan files for all of the loan transactions in which it engages. Loan files typically include, among other documents, loan applications, information showing property ownership (such as grant deeds and/or title reports) and appraisals of the subject property. Downey Savings regularly obtains such documents in the course of its business from a variety of sources and stores them in its loan files.

4. I have reviewed Downey Savings' loan file regarding the loan Downey Savings made to Jesus Tina on March 22, 2006 for the refinance of the property located at 865 Euclid Avenue, San Diego, California (the "Property"). Contained within Downey Savings' loan file is Jesus Tina's signed loan application. Mr. Tina is the only borrower listed on the loan application. A true and correct copy of Mr. Tina's loan application as maintained in Downey Savings' loan files is attached as **Exhibit A**.

5. Also contained within Downey Savings' loan file regarding the Property are a Grant Deed and an Interspousal Transfer Grant Deed, both of which are dated March 22, 2006. The Grant Deed and Interspousal Transfer Grant Deed were recorded with the San Diego County Recorder's Office as document numbers 2006-0212435 and 2006-0212434, respectively. True and correct copies of the Grant Deed and Interspousal Transfer Grant Deed as maintained in Downey Savings' loan files are attached collectively as **Exhibit B**.

6. Downey Savings' loan file regarding the Property also contains a recent appraisal of the Property, a true and correct copy of which is attached as **Exhibit C**.

I declare under penalty of perjury that the foregoing is true and correct. Executed on July 3, 2008, at Newport Beach, California.

Denise Moeller

EXHIBIT A

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower," as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when [ ] the income or assets of a person other than the Borrower (including the Borrower's spouse) will be used as a basis for loan qualification or [ ] the income or assets of the Borrower's spouse or other person who has community property rights pursuant to state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person has community property rights pursuant to applicable law and Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

Borrower

Co-Borrower

I. TYPE OF MORTGAGE AND TERMS OF LOAN

Mortgage Applied for: [ ] VA [X] Conventional [ ] Other (explain): [ ] FHA [ ] USDA/Rural Housing Service		Agency Case Number	Lender Case Number 42201137
Amount $ 425,000.00	Interest Rate 2.200 %	No. of Months 480	Amortization Type: [ ] Fixed Rate [ ] GPM [ ] Other (explain): [X] ARM (type):

II. PROPERTY INFORMATION AND PURPOSE OF LOAN

Subject Property Address (street, city, state & ZIP) 865 EUCLID AVENUE # A & B, SAN DIEGO, CA 92114	No. of Units 2
Legal Description of Subject Property (attach description if necessary) See Preliminary Title Report	Year Built 0

Purpose of Loan: [ ] Purchase [ ] Construction [ ] Other (explain): [X] Refinance [ ] Construction-Permanent

Property will be: [ ] Primary Residence [ ] Secondary Residence [X] Investment

Complete this line if construction or construction-permanent loan.

Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a + b)
	$	$	$	$	$

Complete this line if this is a refinance loan.

Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements [ ] made [ ] to be made
2004	$ 505,000.00	$ 391,052.00	Lmtd Cash-Out Rate/Term	Cost: $0.00

Title will be held in what Name(s) JESUS TINA	Manner in which Title will be held See Escrow Instructions	Estate will be held in: [X] Fee Simple [ ] Leasehold (show expiration date)
Source of Down Payment, Settlement Charges, and/or Subordinate Financing (explain)		

III. BORROWER INFORMATION

Borrower	Co-Borrower
Borrower's Name (include Jr. or Sr. if applicable) JESUS TINA	Co-Borrower's Name (include Jr. or Sr. if applicable)
Social Security Number 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; Home Phone (incl. area code) (619)470-6084; DOB (mm/dd/yyyy) 06/28/1929; Yrs. School 14	Social Security Number; Home Phone (incl. area code); DOB (mm/dd/yyyy); Yrs. School
[X] Married [ ] Unmarried (include single, divorced, widowed) [ ] Separated; Dependents (not listed by Co-Borrower) no. 0 ages	[ ] Married [ ] Unmarried (include single, divorced, widowed) [ ] Separated; Dependents (not listed by Borrower) no. ages
Present Address (street, city, state, ZIP) [X] Own [ ] Rent No. Yrs. 1220 MANCHESTER National City CA 91950	Present Address (street, city, state, ZIP) [ ] Own [ ] Rent No. Yrs.
Mailing Address, if different from Present Address	Mailing Address, if different from Present Address

If residing at present address for less than two years, complete the following:

Borrower	Co-Borrower
Former Address (street, city, state, ZIP) [ ] Own [ ] Rent No. Yrs.	Former Address (street, city, state, ZIP) [ ] Own [ ] Rent No. Yrs.

IV. EMPLOYMENT INFORMATION

Borrower		Co-Borrower	
Name & Address of Employer [X] Self Employed ROSE 2ND HOME 1220 MANCHESTER National City, CA 91950	Yrs. on this job 3; Yrs. employed in this line of work/profession 3	Name & Address of Employer [ ] Self Employed	Yrs. on this job; Yrs. employed in this line of work/profession
Position/Title/Type of Business PRESIDENT	Business Phone (incl. area code) (619)813-7844	Position/Title/Type of Business	Business Phone (incl. area code)

If employed in current position for less than two years or if currently employed in more than one position, complete the following:

Borrower		Co-Borrower	
Name & Address of Employer [ ] Self Employed	Dates (from - to); Monthly Income $	Name & Address of Employer [ ] Self Employed	Dates (from - to); Monthly Income $
Position/Title/Type of Business	Business Phone (incl. area code)	Position/Title/Type of Business	Business Phone (incl. area code)
Name & Address of Employer [ ] Self Employed	Dates (from - to); Monthly Income $	Name & Address of Employer [ ] Self Employed	Dates (from - to); Monthly Income $
Position/Title/Type of Business	Business Phone (incl. area code)	Position/Title/Type of Business	Business Phone (incl. area code)

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V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION

Gross Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income*	$ 18,000.00	$	$ 18,000.00	Rent	$ 0.00	
Overtime	0.00		0.00	First Mortgage (P&I)	1,713.00	$ 1,332.18
Bonuses	0.00		0.00	Other Financing (P&I)	0.00	0.00
Commissions	0.00		0.00	Hazard Insurance	0.00	118.04
Dividends/Interest	0.00		0.00	Real Estate Taxes	0.00	470.97
Net Rental Income	0.00		0.00	Mortgage Insurance	0.00	0.00
Other (before completing, see the notice in "describe other income," below)	0.00	0.00	0.00	Homeowner Assn. Dues	0.00	0.00
				Other:	0.00	-1,650.00
Total	$ 18,000.00	$	$ 18,000.00	Total	$ 1,713.00	$ 271.19

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

B/C	Describe Other Income Notice: Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.	Monthly Amount
		$

VI. ASSETS AND LIABILITIES

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-Borrowers if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis; otherwise, separate Statements and Schedules are required. If the Co-Borrower section was completed about a non-applicant spouse or other person, this Statement and supporting schedules must be completed about that spouse or other person also.

Completed [ ] Jointly [X] Not Jointly

ASSETS Description	Cash or Market Value
Cash deposit toward purchase held by:	$ 0.00
List checking and savings accounts below	
Name and address of Bank, S&L, or Credit Union *** SEE ADDENDUM ***	
Acct. no.	$
Name and address of Bank, S&L, or Credit Union	
Acct. no.	$
Name and address of Bank, S&L, or Credit Union	
Acct. no.	$
Name and address of Bank, S&L, or Credit Union	
Acct. no.	$
Stocks & Bonds (Company name/number & description)	$
Life insurance net cash value Face amount: $ 0.00	$ 100,000.00
Subtotal Liquid Assets	$ 182,000.00
Real estate owned (enter market value from schedule of real estate owned)	$ 2,740,000.00
Vested interest in retirement fund	$ 0.00
Net worth of business(es) owned (attach financial statement)	$ 0.00
Automobiles owned (make and year)	$
05 MERCEDES CL 500	50,000.00
05 VW BEATLE	20,000.00
80 JAGUAR	20,000.00
Other Assets (itemize)	$
PERSONAL PROPERTY	125,000.00
Total Assets a.	$ 3,137,000.00

Liabilities and Pledged Assets. List the creditor's name, address, and account number for all outstanding debts, including automobile loans, revolving charge accounts, real estate loans, alimony, child support, stock pledges, etc. Use continuation sheet, if necessary. Indicate by (*) those liabilities, which will be satisfied upon sale of real estate owned or upon refinancing of the subject property.

LIABILITIES	Monthly Payment & Months Left to Pay	Unpaid Balance
Name and address of Company *** SEE ADDENDUM *** Acct. no.	$ Payment/Months	$
Name and address of Company Acct. no.	$ Payment/Months	$
Name and address of Company Acct. no.	$ Payment/Months	$
Name and address of Company Acct. no.	$ Payment/Months	$
Name and address of Company Acct. no.	$ Payment/Months	$
Name and address of Company Acct. no.	$ Payment/Months	$
Name and address of Company Acct. no.	$ Payment/Months	$
Alimony/Child Support/Separate Maintenance Payments Owed to:	$	
Job-Related Expense (child care, union dues, etc.) Neg. Rent/Cash	$ 1,708.06	
Total Monthly Payments	$ 2,733.06	
Net Worth (a minus b) $ 1,563,516.00	Total Liabilities b.	$ 1,573,484.00

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VI. ASSETS AND LIABILITIES (cont'd)

Schedule of Real Estate Owned (If additional properties are owned, use continuation sheet.)

Property Address (enter S if sold, PS if pending sale or R if rental being held for income)	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
*** SEE ADDENDUM ***		$	$	$	$	$	$
	Totals	$ 2740000	$ 1906062	$ 12400	$ 10657	$ 2536	$ -1781

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s):

Alternate Name	Creditor Name	Account Number

VII. DETAILS OF TRANSACTION

a. Purchase price	$ 0.00
b. Alterations, improvements, repairs	0.00
c. Land (if acquired separately)	0.00
d. Refinance (incl. debts to be paid off)	0.00
e. Estimated prepaid items	12,325.58
f. Estimated closing costs	2,315.00
g. PMI, MIP, Funding Fee	0.00
h. Discount (if Borrower will pay)	0.00
i. Total costs (add items a through h)	14,640.58
j. Subordinate financing	0.00
k. Borrower's closing costs paid by Seller	0.00
l. Other Credits (explain)	0.00 0.00 0.00 0.00 0.00 0.00
m. Loan amount (exclude PMI, MIP, Funding Fee financed)	425,000.00
n. PMI, MIP, Funding Fee financed	0.00
o. Loan amount (add m & n)	425,000.00
p. Cash from/to Borrower (subtract j, k, l & o from i)	-410,359.42

VIII. DECLARATIONS

If you answer "Yes" to any questions a through i, please use continuation sheet for explanation.

	Borrower Yes	Borrower No	Co-Borrower Yes	Co-Borrower No
a. Are there any outstanding judgments against you?		X		
b. Have you been declared bankrupt within the past 7 years?		X		
c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?		X		
d. Are you a party to a lawsuit?		X		
e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? (This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name, and address of Lender, FHA or VA case number, if any, and reasons for the action.)		X		
f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? If "Yes," give details as described in the preceding question.		X		
g. Are you obligated to pay alimony, child support, or separate maintenance?		X		
h. Is any part of the down payment borrowed?		X		
i. Are you a co-maker or endorser on a note?		X		
j. Are you a U.S. citizen?	X			
k. Are you a permanent resident alien?		X		
l. Do you intend to occupy the property as your primary residence? If "Yes," complete question m below.		X		
m. Have you had an ownership interest in a property in the last three years?	X			
(1) What type of property did you own - - principal residence (PR), second home (SH), or investment property (IP)?	PR			
(2) How did you hold title to the home - - solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	SP			

IX. ACKNOWLEDGEMENT AND AGREEMENT

Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described in this application; (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be occupied as indicated in this application; (6) the Lender, its servicers, successors or assigns may retain the original and/or an electronic record of this application, whether or not the Loan is approved; (7) the Lender and its agents, brokers, insurers, servicers, successors, and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the Lender, its servicers, successors or assigns may, in addition to any other rights and remedies that it may have relating to such delinquency, report my name and account information to one or more consumer reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor its agents, brokers, insurers, servicers, successors or assigns has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature.

Acknowledgement. Each of the undersigned hereby acknowledges that any owner of the Loan, its servicers, successors and assigns, may verify or reverify any information contained in this application or obtain any information or data relating to the Loan, for any legitimate business purpose through any source, including a source named in this application or a consumer reporting agency.

Borrower's Signature	Date	Co-Borrower's Signature	Date
X [signature]	3-12-06	X	

X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may not discriminate either on the basis of this information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation and surname if you have made this application in person. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)

BORROWER [X] I do not wish to furnish this information.

Ethnicity: [ ] Hispanic or Latino [ ] Not Hispanic or Latino

Race: [ ] American Indian or Alaska Native [ ] Asian [ ] Black or African American [ ] Native Hawaiian or Other Pacific Islander [ ] White

Sex: [ ] Female [X] Male

CO-BORROWER [ ] I do not wish to furnish this information.

Ethnicity: [ ] Hispanic or Latino [ ] Not Hispanic or Latino

Race: [ ] American Indian or Alaska Native [ ] Asian [ ] Black or African American [ ] Native Hawaiian or Other Pacific Islander [ ] White

Sex: [ ] Female [ ] Male

To be Completed by Interviewer	Interviewer's Name (print or type)	Name and Address of Interviewer's Employer
This application was taken by:	Dave Morash	Morningstar Capital
[ ] Face-to-face interview	Interviewer's Signature / Date	777 South Hwy 101, Suite 112
[ ] Mail		Solana Beach, CA 92075
[X] Telephone	Interviewer's Phone Number (incl. area code)	
[ ] Internet	(858)794-6400	

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CONTINUATION SHEET/RESIDENTIAL LOAN APPLICATION

Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark **B** for Borrower or **C** for Co-Borrower.	Borrower: TINA, JESUS	Agency Case Number:
	Co-Borrower:	Lender Case Number: 42201137

Under California Civil Code 1812.30(j) "Credit applications for the obtainment of money, goods, labor, or services shall clearly specify that the applicant, if married, may apply for a separate account."

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature:	Date	Co-Borrower's Signature:	Date
X [signature]	3-22-06	X	

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Addendum for Loan # : 42201137 - TINA, JESUS

--- ASSETS - CHECKING/SAVINGS ACCOUNTS ---

Bank : Washington Mutual Address: P.O. Box 1098 C/S/Z : Northridge,CA 91328-1098	Cash Value : $35,000.00 Account Number : 3894660692 Account Type : Checking
Bank : BANK OF AMERICA Address: C/S/Z :	Cash Value : $17,000.00 Account Number : Account Type : Checking
Bank : BANK OF AMERICA Address: C/S/Z :	Cash Value : $5,000.00 Account Number : Account Type : Savings
Bank : UNION BANK OF AMERICA Address: P.O. Box 512380 C/S/Z : Los Angeles,CA 90051-0380	Cash Value : $4,000.00 Account Number : 0071611107 Account Type : Savings
Bank : UNION BANK OF AMERICA Address: P.O. Box 512380 C/S/Z : Los Angeles,CA 90051-0380	Cash Value : $17,000.00 Account Number : 0071605810 Account Type : Checking
Bank : NAVY FEDERAL CREDIT UNION Address: C/S/Z :	Cash Value : $4,000.00 Account Number : Account Type : Savings

--- LIABILITIES ---

Creditor :CITY OF SAN DIEGO Address : C/S/Z : Acct. Type :Charge Off In Name Of :TINA, JESUS	Acct. # : 3080482 Balance : *$15.00 Payment : *$0.00 Rem. Term : 1
Creditor :THD/CBUSA Address : C/S/Z : Acct. Type :Revolving In Name Of :TINA, JESUS	Acct. # : 603532013429 Balance : $4,270.00 Payment : $27.00 Rem. Term : 159
Creditor :THD/CBUSA Address : C/S/Z : Acct. Type :Revolving In Name Of :TINA, JESUS	Acct. # : 6035320134293651 Balance : $4,270.00 Payment : $27.00 Rem. Term : 159
Creditor :DISCOVER FIN SVS LLC Address : C/S/Z : Acct. Type :Revolving In Name Of :TINA, JESUS	Acct. # : 601100069078 Balance : $1,544.00 Payment : $31.00 Rem. Term : 50
Creditor :MILITARY STAR Address : C/S/Z : Acct. Type :Revolving In Name Of :TINA, JESUS	Acct. # : 6019452000710342 Balance : $1,172.00 Payment : $13.00 Rem. Term : 91

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature:	Date:	Co-Borrower's Signature:	Date:
X [signature]	3-22-06	X	

Addendum for Loan # : 42201137 - TINA, JESUS

--- LIABILITIES ---

Creditor	:AMEX	Acct. #	: 727237769012347821
Address	:	Balance	: $125.00
		Payment	: $125.00
C/S/Z	:	Rem. Term	: 1
Acct. Type	:Open		
In Name Of	:TINA, JESUS		
Creditor	:DOWNEY SAVINGS & LOAN	Acct. #	: 9041150236
Address	:	Balance	: *$391,052.00
		Payment	: *$1,713.00
C/S/Z	:	Rem. Term	: 480
Acct. Type	:Mortgage		
In Name Of	:TINA, JESUS		
Creditor	:WASHINGTON MUTUAL FA	Acct. #	: 9080607431814
Address	:	Balance	: $385,909.00
		Payment	: [$2,941.00]
C/S/Z	:	Rem. Term	: 360
Acct. Type	:Mortgage		
In Name Of	:TINA, JESUS		
Creditor	:WORLD SAVINGS & LOAN	Acct. #	: 5120027093814
Address	:	Balance	: $369,119.00
		Payment	: [$1,613.00]
C/S/Z	:	Rem. Term	: 360
Acct. Type	:Mortgage		
In Name Of	:TINA, JESUS		
Creditor	:COUNTRYWIDE HOME LOAN	Acct. #	: 72024565
Address	:	Balance	: $342,000.00
		Payment	: [$2,209.00]
C/S/Z	:	Rem. Term	: 360
Acct. Type	:Mortgage		
In Name Of	:TINA, JESUS		
Creditor	:COUNTRYWIDE HOME LOAN	Acct. #	: 93930741
Address	:	Balance	: $332,561.00
		Payment	: [$1,318.00]
C/S/Z	:	Rem. Term	: 360
Acct. Type	:Mortgage		
In Name Of	:TINA, JESUS		
Creditor	:COUNTRYWIDE HOME LOAN	Acct. #	: 72003954
Address	:	Balance	: $85,421.00
		Payment	: [$863.00]
C/S/Z	:	Rem. Term	: 360
Acct. Type	:Mortgage		
In Name Of	:TINA, JESUS		
Creditor	:CHASE	Acct. #	: 10535018533102
Address	:	Balance	: $47,093.00
		Payment	: $802.00
C/S/Z	:	Rem. Term	: 72
Acct. Type	:Auto		
In Name Of	:TINA, JESUS		

--- SCHEDULE OF REAL ESTATE OWNED ---

Address	: 865 Euclid A,B	Market Value	: $575,000.00
		Mortgage Amt	: $391,052.00
C/S/Z	: San Diego, Ca. 92114	Gross Income	: $2,200.00
Status	: R	Mortgage Pmt	: $1,713.00
Type	: SFR	Taxes/Ins	: $574.00
		Net Rental Inc	: ($637.00)

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature:	Date:	Co-Borrower's Signature:	Date:
X	3-22-06	X	

EXH A
PG 06

Addendum for Loan # : 42201137 - TINA, JESUS

--- SCHEDULE OF REAL ESTATE OWNED ---

Address	1720 4th st.	Market Value	$800,000.00
		Mortgage Amt	$385,909.00
C/S/Z	national city, ca. 91950	Gross Income	$4,500.00
Status	R	Mortgage Pmt	$2,941.00
Type	2-4	Taxes/Ins	$482.00
		Net Rental Inc	($48.00)
Address	1220 manchester	Market Value	$455,000.00
		Mortgage Amt	$369,119.00
C/S/Z	national city, ca. 91950	Gross Income	$0.00
Status	H	Mortgage Pmt	$1,613.00
Type	SFR	Taxes/Ins	$499.00
		Net Rental Inc	$0.00
Address	863 glencoe	Market Value	$455,000.00
		Mortgage Amt	$427,421.00
C/S/Z	san diego, ca. 92114	Gross Income	$2,500.00
Status	R	Mortgage Pmt	$3,072.00
Type	SFR	Taxes/Ins	$499.00
		Net Rental Inc	($1,696.00)
Address	864 glencoe	Market Value	$455,000.00
		Mortgage Amt	$332,561.00
C/S/Z	san diego, ca 92114	Gross Income	$3,200.00
Status	R	Mortgage Pmt	$1,318.00
Type	SFR	Taxes/Ins	$482.00
		Net Rental Inc	$600.00

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature:	Date:	Co-Borrower's Signature:	Date:
X [signature]	3-22-06	X	

DOWNEY SAVINGS and Loan Association, F.A.

Application / Loan Number: 9042201137

ADDENDUM TO RESIDENTIAL LOAN APPLICATION

IN ADDITION TO THE ITEMS SET FORTH ON THE RESIDENTIAL LOAN APPLICATION TO WHICH THIS ADDENDUM IS ATTACHED, BORROWER HEREBY APPLIES FOR A LOAN IN ACCORDANCE WITH THE FOLLOWING TERMS:

I. Disclaimers

Borrower agrees that the purchase of the real property described herein, and any other transaction in respect thereto entered into by Borrower, is based solely on Borrower's own inspection and opinion as to the value of the property and not upon any inspection, appraisal, representation or promise made by Lender. Borrower expressly waives any claim against Lender arising out of any inspection, appraisal or representation made by Lender.

II. All Loan Terms Must Be In Writing

Borrower understands that no person (on behalf of Lender) has the authority to verbally offer or promise any loan terms. Rather, all loan terms must be in writing from Lender to Borrower. Further, Borrower cannot change the loan documents without Lender's written agreement to the change.

III. Authorization To Obtain Consumer Report

Borrower has authorized Lender to contact consumer reporting agencies to obtain one or more consumer reports on Borrower, in conjunction with Borrower's loan application. In addition, Borrower authorizes Lender to use the consumer report(s) to determine whether Borrower also qualifies for other loan products that Lender offers, including a home equity line of credit or a home equity loan.

IV. Declaration

By signing the loan application and this Addendum, Borrower declares under penalty of perjury that all information provided to Lender about Borrower in the loan application, this Addendum (and any other attachments thereto), is true, complete, and accurate. Borrower understands that Lender is relying on the truthfulness and completeness of such information in processing the application and making the loan requested. Borrower further understands that if Lender discovers that any such information is inaccurate in any material respect, as determined solely by Lender, then Lender may choose to not make the loan requested or, if the inaccuracy is not discovered until after the loan is made, then Lender may declare the loan to be in default and require immediate repayment of the entire loan plus all fees and charges due under the loan documents.

JESUS TINA [signature] Date 03-22-06

Date

2D097-1.UFF (12/30/03) 12866 BT

EXHIBIT B

5

RECORDING REQUESTED BY
UNITED TITLE COMPANY

8260

DOC # 2006-0212435

RECORDING REQUESTED BY:
Asset Escrow Services, Inc.

AND WHEN RECORDED MAIL TO:
AND MAIL TAX STATEMENT TO:
Jesus Tina
1220 MANCHESTER STREET
National City, CA 91950

Order No. 40601584
Escrow No. 023021-FN
Parcel No. 542-581-02

F6 2P UF

MAR 28, 2006 11:20 AM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 20.00
OC: OC
PAGES: 2

2006-0212435

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) THAT DOCUMENTARY TRANSFER TAX IS $ and CITY $
__X__ computed on full value of property conveyed, or
______ computed on full value less liens or encumbrances remaining at the time of sale.
______ unincorporated area: ______ City of San Diego, and

NO CONSIDERATION REFI PURPOSES

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Rosario R. Tina and Jesus Tina, husband and wife as joint tenant who acquired title as Rosario R. Tina and Jesus G. Tina, husband and wife as joint tenants

hereby GRANTS to **Jesus Tina, a Married Man as his sole and separate property**

the following described real property in the County of **San Diego**, State of California:

Exhibit A attached hereto and made a part hereof.

Dated March 22, 2006

Rosario R. Tina (signature)
Rosario R. Tina

(signature)
Jesus Tina

STATE OF CALIFORNIA }
} S.S.
COUNTY OF San Diego }

On March 22, 2006, before me, Christine Peterson, Notary Public, personally appeared* personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) ~~is~~/are subscribed to the within instrument and acknowledged to me that ~~he/she~~/they executed the same in ~~his/her~~/their authorized capacity(ies), and that by ~~his/her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
* Rosario R. Tina and Jesus Tina

WITNESS my hand and official seal.

Signature (signature)

CHRISTINE PETERSON
Commission # 1364237
Notary Public - California
San Diego County
My Comm. Expires Aug 8, 2006

EXH B
PG 1

2

ORDER NO 40601584-40

8261

EXHIBIT "A"

LOT 2 IN BLOCK 1 OF BEVERLY IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1129, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 11, 1980.

EXCEPTING THEREFROM THE WESTERLY 34.00 FEET.

RECORDING REQUESTED BY
UNITED TITLE COMPANY

8258

DOC # 2006-0212434

MAR 28, 2006 11:20 AM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 20.00
OC: OC
PAGES: 2

2006-0212434

RECORDING REQUESTED BY:
Asset Escrow Services, Inc.
AND WHEN RECORDED MAIL TO:
AND MAIL TAX STATEMENT TO:

Mr. Tina
1220 Manchester Street
National City, Ca. 91950

Order No. 40601584
Escrow No. 023021-FN
Parcel No. 542-581-02

SPACE ABOVE THIS LINE FOR RECORDER'S USE

INTERSPOUSAL TRANSFER GRANT DEED

(Excluded from reappraisal under California Constitution Act 13 A 1.et seq.

DOCUMENTARY TRANSFER TAX $ NONE
This is an Interspousal Transfer and not a change in ownership under §63 of the Revenue and Taxation code and Grantor(s) has(have) checked the applicable exclusion from reappraisal:

_____ From Joint Tenancy to Community Property
_____ From One Spouse to Both Spouses
_____ From One Spouse to the Other Spouse
__X__ From Both Spouses to the Other Spouses
_____ Other:

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, GRANTOR Rosario R. Tina, wife of grantee

hereby GRANT(S) to Jesus G. Tina, a married man as his sole and separate property

the following described real property in the County of **San Diego**, State of California:

"It is the express intent of the grantor, being the spouse of the grantee, to convey all right, title and interest of the grantor, community or otherwise, in and to the herein described property, to the grantee as his/her sole and separate property."

Date March 22, 2006

Rosario R. Tina

STATE OF CALIFORNIA }
} S.S.
COUNTY OF San Diego }

On March 22, 2006 before me, Christine Peterson Notary Public personally appeared Rosario R. Tina personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

CHRISTINE PETERSON
Commission # 1364237
Notary Public - California
San Diego County
My Comm. Expires Aug 8, 2006

EXH B
PG 3

ORDER NO 40601584-40 8259

EXHIBIT "A"

LOT 2 IN BLOCK 1 OF BEVERLY IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1129, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 11, 1980.

EXCEPTING THEREFROM THE WESTERLY 34.00 FEET.

EXHIBIT C

File No. 080197

9042201137

Summary Appraisal SMALL RESIDENTIAL INCOME PROPERTY APPRAISAL REPORT

File No. 080197

SUBJECT

Property Address 865 Euclid Avenue #A,B City San Diego State CA Zip code 92114
Legal Description Exc St & Exc St Op Lot 2 Blk 1 of Tract 1129 County San Diego
Assessor's Parcel No. 542-581-02-00 Tax Year 2007 R.E. Taxes $ 5,801.00 Special Assessments $ None
Neighborhood or Project Name Lincoln Park Map Reference 1290-A5 Census Tract 0030.01
Borrower Downey Savings (client) Current Owner Tina Occupant ☐ Owner ☒ Tenant ☐ Vacant
Property rights appraised ☒ Fee Simple ☐ Leasehold Project Type ☐ PUD ☐ Condominium HOA $ /Mo.
Sales Price $ Date of Sale Description and $ amount of loan charges/concessions to be paid by seller
Lender/Client Downey Savings & Loan Assn., F.A. Address 3501 Jamboree Road, Newport Beach, CA 92660
Appraiser David J. Buysse Address 480 N. Magnolia Avenue #102, El Cajon, CA 92020

NEIGHBORHOOD

				Predominant Single Family Occupancy	Single family housing PRICE $ (000)	AGE (yrs)	Predominant 2-4 Family Occupancy	2-4 family housing PRICE $ (000)	AGE (yrs)
Location	☐ Urban	☒ Suburban	☐ Rural	☒ Owner	175 Low	5	☐ Owner	175 Low	5
Built up	☒ Over 75%	☐ 25-75%	☐ Under 25%	☐ Tenant	475 High	75	☒ Tenant	425 High	65
Growth rate	☐ Rapid	☐ Stable	☒ Slow	☒ Vacant (0-5%)	Predominant		☒ Vacant (0-5%)	Predominant	
Property values	☐ Increasing	☐ Stable	☒ Declining	☐ Vacant (over 5%)	250	35	☐ Vacant (over 5%)	240	250
Demand/supply	☐ Shortage	☐ In balance	☒ Over supply						
Marketing time	☐ Under 3 mos.	☒ 3-6 mos.	☐ Over 6 mos.						

Typical 2-4 family bldg. Type Walk up No. stories 1-2 No. units 2-4 Age 35 yrs.
Typical rents $ 450 to $ 950 ☐ Increasing ☒ Stable ☐ Declining
Est. neighborhood apt. vacancy 3 % ☐ Increasing ☒ Stable ☐ Declining
Rent controls ☐ Yes ☒ No ☐ Likely If yes or likely, describe

Present land use %: One family 69; 2-4 family 10; Multi-family 10; Commercial 10; (Vac) 1

Land use change: ☒ Not likely ☐ Likely ☐ In process to:

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood boundaries and characteristics: The subject's neighborhood is loosely bounded by:Frwy 94 to the north, National City to south, Frwy 15 to the west, Valencia Parkway to the east.

Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.): See attached addenda.

The following available listings represent the most current, similar, and proximate competitive properties to the subject property in the subject neighborhood. This analysis is intended to evaluate the inventory currently on the market competing with the subject property in the subject neighborhood and recent price and marketing time trends affecting the subject property. (Listings outside the subject neighborhood are not considered applicable). The listing comparables can be the rental or sale comparables if they are currently for sale.

ITEM	SUBJECT	COMPARABLE LISTING NO. 1	COMPARABLE LISTING NO. 2	COMPARABLE LISTING NO. 3
Address	865 Euclid Avenue #A, B San Diego	5288 Santa Margarita Street San Diego	5367-5369 Roswell Street San Diego	5326 Santa Margarita Street San Diego
Proximity to subject		0.66 miles	0.27 miles	0.68 miles
Listing price	$	☒ Unf. ☐ Furn. $ 379,000	☒ Unf. ☐ Furn. $ 299,900	☒ Unf. ☐ Furn. $ 379,000
Approximate GBA	2,008	2,381	1,344	2,140
Data source	Prior appraisal	MLS/NDC/Public Records	MLS/NDC/Public Records	MLS/NDC/Public Records
# Units/Tot. rms./BR/BA	2 / 10 / 6 / 2	2 / 10 / 6 / 4	2 / 8 / 4 / 2	2 / 10 / 6 / 3
Approximate year built	1989	1950	1957	1950
Approx. days on market	N/A	58 days	118 Days	92 days

Comparison of listings to subject property: A limited amount of inventory required the appraiser to expand the market in terms of distance. C1 and c3 are most similar to the subject. C2 has been inspected by the appraiser; it has superior site usable and a similar view but consists of much smaller units. C1 is a value range listing from $379,000 to $399,000.

Market conditions that affect 2-4 family properties in the subject neighborhood (including the above neighborhood indicators of growth rate, property values, demand/supply, and marketing time) and the prevalence and impact in the subject market area regarding loan discounts, interest buydowns and concessions, and identification of trends in listing prices, average days on market and any change over past year, etc.: The rental demand has remained relatively stable with an indication under supply, resulting in increased rental rates. Many of the properties have been developed to their full extent as present zoning permits. This area is not presently under any rent controls & future rent controls in San Deigo County are unlikely. Property listed properties can expect a market time of 30-120 days.

SITE

Dimensions see attached plat map
Site area 6,900 sq.ft. Corner lot ☒ No ☐ Yes
Specific zoning classification and description R-2Multi family residential
Zoning compliance ☒ Legal ☐ Legal nonconforming (Grandfathered use) ☐ Illegal ☐ No zoning
Highest and best use as improved: ☒ Present use ☐ Other use (explain)

Topography Sloping
Size Typical
Shape Rectangular
Drainage Appears Adequate
View Area
Landscaping Average
Driveway Concrete
Apparent easements None Noted, see title.

Utilities	Public	Other	Off-site Improvements	Type	Public	Private
Electricity	☒		Street	Asphalt	☒	☐
Gas	☒		Curb/gutter	Concrete	☒	☐
Water	☒		Sidewalk	Concrete	☒	☐
Sanitary sewer	☒		Street lights	Yes	☒	☐
Storm sewer	☒		Alley	None	☐	☐

FEMA Special Flood Hazard Area ☐ Yes ☒ No
FEMA Zone X Map Date 06/19/07
FEMA Map No. 06073C1908-F

COMMENTS

Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning, use, etc.): External obsolescence associated with difficult ingress/egress onto Euclid Avenue which is a main arterial street for the area. Site is sloping from the rear downward and upper levels may have a view.

Information for the subject is based on a lender provided appraisal which was prepared for Morningstar Capital with a file number 865EA-ZJ

EXH C
PG 01

File No. 080197

SMALL RESIDENTIAL INCOME PROPERTY APPRAISAL REPORT

DESCRIPTION OF IMPROVEMENTS

General description		Exterior description (Materials/condition)		Foundation		Insulation (R-value if known)
Units/bldgs.	2 / 1	Foundation	Concrete/Average	Slab	No	☐ Roof
Stories	2	Exterior walls	Stucco/Average	Crawl space	Yes	☐ Ceiling
Type (det./att.)	Attached	Roof surface	Comp Shingle/Avg	Sump Pump	No	☐ Walls
Design (style)	Conventional	Gutters & dwnspts.	AdequateOverhng/Avg	Dampness	No*	☐ Floor
Existing/proposed	Existing	Window type	Al Slider/Average	Settlement	No*	☐ None
Under construction	No	Storm sash/Screens	Screens/Average	Infestation	No*	Adequacy
Year Built	1989	Manufactured housing*	☐ Yes ☒ No	Basement	0 % of 1st floor area	Energy efficient items: None
Effective age(yrs.)	7	*(Complies with the HUD Manufactured Housing Construction and Safety Standards.)		Basement finish	*Not apparent at time of inspection	

Units	Level(s)	Foyer	Living	Dining	Kitchen	Den	Family rm.	Bedrooms	# Baths	Laundry	Other	Sq. ft./unit	Total
1	2		1	1	1			3	1			1,004	2,008
1								3	1			1,004	

Improvements contain: 10 Rooms; 6 Bedroom(s); 2 Bath(s); 2,008 Square feet of GROSS BUILDING AREA

GROSS BUILDING AREA (GBA) IS DEFINED AS THE TOTAL FINISHED AREA (INCLUDING COMMON AREAS) OF THE IMPROVEMENTS BASED UPON EXTERIOR MEASUREMENTS.

Surfaces	(Materials/condition)	Heating		Kitchen equip.	(# / unit-cond.)	Attic	Car Storage	No. Cars 3-4
Floors	Cpt/Vinyl/Avg	Type	Wall	Refrigerator	None Noted	☐ None	Garage	☐
Walls	Drywall/Avg	Fuel	Gas	Range/oven	2/Avg	☐ Stairs	Carport	☐
Trim/Finish	Wood/Avg	Condition	Average	Disposal	2/Avg	☐ Drop stair	Attached	☐
Bath floor	Vinyl/Avg			Dishwasher	2/Avg	☒ Scuttle	Detached	☐
Bath wainscot	Fiberglass/avg	Cooling		Fan/hood	2/Avg	☐ Floor	Adequate	☐
Doors	Wood/Avg	Central	None	Compactor	None	☐ Heated	Inadequate	☐
		Other	None	Washer/dryer	None	☐ Finished	Offstreet	☒
		Condition	N/A	Microwave	None	☒ Unfinished	None	☐
Fireplace(s)	#			Intercom	None			

Condition of the improvements, repairs needed, quality of construction, additional features, modernization, etc.: The subject property is an average quality, two story, wood frame building with stucco exterior. All units are rented with the tenants paying their own utilities except for water and trash. *Information for the subject is based on a lender provided appraisal which was prepared for Morningstar Capital with a file number 865EA-ZJ.*

At the rear of the site there is an excess of personal property (junk) which is an eye sore.

ADDITIONAL COMMENTS

Depreciation (physical, functional, and external inadequacies, etc.): External obsolescence associated with difficult ingress/egress onto Euclid Avenue which is a main arterial street for the area. Physical depreciation is based upon the observed condition of improvements and normal wear and tear. Depreciation is based on the age-life method, with the total economic life of the building estimated at 70 years. *Information for the subject is based on a lender provided appraisal which was prepared for Morningstar Capital with a file number 865EA-ZJ.*

Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property: There is no indication present of any apparent hazardous substance or detrimental environmental condition on or near the subject's site that would impact the subject's value or marketability. *At the rear of the site there is an excess of personal property (junk) which is an eye sore.*

VALUATION ANALYSIS

COST APPROACH

ESTIMATED SITE VALUE = $ 100,000

ESTIMATED REPRODUCTION COST-NEW OF IMPROVEMENTS:

2,008 Sq. Ft. @ $	150.00	= $	301,200
Sq. Ft. @ $		= $	
Sq. Ft. @ $		= $	
Sq. Ft. @ $		= $	
Sq. Ft. @ $		= $	
Special Energy Efficient Items	None	= $	
Porches, Patios, etc.		= $	
Total Estimated Cost New		= $	301,200

	Physical	Functional	External		
Less	10				
Depreciation	30,120		5,000	= $	35,120

Depreciated Value of Improvements = $ 266,080

"As is" Value of Site Improvements = $ 8,000

INDICATED VALUE BY COST APPROACH = $ 374,080

Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and, for HUD and VA, the estimated remaining economic life of the property): Cost data information is obtained from Marshall and Swift and other sources, and modified to local standards. Land value is derived by abstraction, as there are virtually no improved vacant lots available for sale. Land to value ratios are typical of the San Diego area, and may approach or even exceed the depreciated value of improvements. Physical depreciation is calculated by dividing the subject's estimated effective age by the total economic life of the improvements. Based upon a total economic life of 75 years, the remaining economic life of the subject units is estimated at 65+- years.

File No. 080197

SMALL RESIDENTIAL INCOME PROPERTY APPRAISAL REPORT

COMPARABLE RENTAL DATA

At least three rental comparables should be reported and analyzed in this section. The rental comparables should represent the most current rental information on properties as similar and proximate to the subject property as possible. (This comparison is based on current rental data, therefore, the rental comparables typically are not the same comparables used in the sales comparison analysis.) The appraisal report should assure the reader that the units and properties selected as comparables are comparable to the subject property (both the units and the overall property) and accurately represent the rental market for the subject property (unless otherwise stated within the report).

ITEM	SUBJECT	COMPARABLE RENTAL NO. 1	COMPARABLE RENTAL NO. 2	COMPARABLE RENTAL NO. 3
Address	865 Euclid Avenue #A,B San Diego, Ca 92114	5268 Roswell Street San Diego, Ca 92114	4128-4130 Gamma Street San Diego, Ca 92113	5326 Santa Margarita Street San Diego, Ca 92114
Proximity to subject		0.19 miles	2.08 miles	0.68 miles
Lease dates (if available)	Month-Month	Month-Month	Month-Month	Month-Month
Rent survey date	05/13/08	05/13/08	05/13/08	05/13/08
Data source	Inspection - Owner/Pub Rec	MLS/Public Records	MLS/Public Records	MLS/Public Records
Rent concessions	None Known	None Known	None	None
Description of property-units, design, appeal, age, vacancies, and conditions	No. Units 2 No. Vac. Yr. Blt.: 1989 Two attached identical dwellings	No. Units 2 No. Vac. 0 Yr. Blt.: 1955 Two attached dwellings within one building. Similar overall design but superior view amenity.	No. Units 2 No. Vac. 0 Yr. Blt.: 1955 Two detached single family dwellings. Superior overall detached appeal. Similar overall quality.	No. Units 2 No. Vac. 0 Yr. Blt.: 1958 Two detached single family dwellings of average overall condition. Superior overall detached appeal.

Individual unit breakdown

	Subject Rm. Count Tot	Br	Ba	Size Sq. Ft.	No. 1 Rm. Count Tot	Br	Ba	Size Sq. Ft.	Total Monthly Rent	No. 2 Rm. Count Tot	Br	Ba	Size Sq. Ft.	Total Monthly Rent	No. 3 Rm. Count Tot	Br	Ba	Size Sq. Ft.	Total Monthly Rent
	5	3	1	1,004	5	2	2	1,200	1,500	5	2	1	1,000	1,150	5	3	1	900	1,400
	5	3	1	1,004	5	2	2	1,224	1,500	5	2	1.5	1,000	1,200	5	3	2	1,240	1,650

ITEM	SUBJECT	COMPARABLE RENTAL NO. 1	COMPARABLE RENTAL NO. 2	COMPARABLE RENTAL NO. 3
Utilities, furniture, and amenities included in rent	Rents include water & sewer Unfurnished	Rents incl. water, sewer Unfurnished	Rents incl. water & sewer Unfurnished	Rents incl. water & sewer Unfurnished
Functional utility, basement, heating/cooling, project amenities, etc.	No Functional inadequacies noted. Current $1.19 per sqft.	No Functional inadequacies noted Rent per sqft 1.25/1.22	No Functional inadequacies noted Rent per sqft $1.15-1.20	No Functional inadequacies noted Rent per sqft $1.33-1.55

Analysis of rental data and support for estimated market rents for the individual subject units (including the adjustments used, the adequacy of comparables, rental concessions, etc.)

Typical rents are for unfurnished units with the tenants paying all utilities except water. The rental market for the subject's area is generally stable. Section 8 rents are common to the neighborhood and are usually slightly higher than most long term rentals. Vacancy factor may approach 5%.

Comparable rentals represented were are the most similar in physical size and room count found. In general the comparables are slightly superior in overall location as they do not have a busy street to contend with. They are generally older in age which is usually less desirable as far as a rental is concerned. Comparables two and 3 are considered slightly superior in rental appeal as they are detached single family dwellings. Comparable one is most similar in overall design. The subject's current rent was found based on a recent expired listing which states the rental value to be $1200.

Subject's rent schedule The rent schedule reconciles the applicable indicated monthly market rents to the appropriate subject unit, and provides the estimated rents for the subject property. The appraiser must review the rent characteristics of the comparable sales to determine whether estimated rents should reflect actual or market rents. For example, if actual rents were available on the sales comparables and used to derive the gross rent multiplier (GRM), actual rents for the subject should be used. If market rents were used to construct the comparables' rents and derive the GRM, market rents should be used. The total gross estimated rent must represent rent characteristics consistent with the sales comparable data used to derive the GRM. The total gross estimated rent is not adjusted for vacancy.

Unit	LEASES Lease Date Begin	End	ACTUAL RENTS No. Units Vacant	Per Unit Unfurnished	Per Unit Furnished	Total Rents	ESTIMATED RENTS Per Unit Unfurnished	Per Unit Furnished	Total Rents
1	Month to	Month	0	$ 1,200	$	$ 1,200	$ 1,200	$	$ 1,200
1	Month to	Month	0	1,200		1,200	1,200		1,200
2						$ 2,400			$ 2,400

Other monthly income (itemize) $ None

Vacancy: Actual last year ____ % Previous year ____ % Estimated: 5 % $ 1,440 Annually Total gross estimated rent $ 2,400

Utilities included in estimated rents: ☐ Electric ☒ Water ☒ Sewer ☐ Gas ☐ Oil ☒ Trash collection ☐

Comments on the rent schedule, actual rents, estimated rents (especially regarding differences between actual and estimated rents), utilities, etc.: Typical rents are for unfurnished units with tenants paying all utilities except water. The comparables provided have a range of rents of $1.15 to $1.55 per square foot. The subject's current rent is $1.19 per MLS. The current rent appears to be at economic rent and is at the lower end of the rental survey rate. Current rents were represented within the sales comparison approach.

File No. 080197

SMALL RESIDENTIAL INCOME PROPERTY APPRAISAL REPORT

The undersigned has recited three recent sales of properties most similar and proximate to the subject property and has described and analyzed these in this analysis. If there is a significant variation between the subject and comparable properties, the analysis includes a dollar adjustment reflecting the market reaction to those items or an explanation supported by the market data. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the adjusted sales price of the comparable property; if a significant item in the comparable property is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the adjusted sales price of the comparable property. [(1) Sales Price / Gross Monthly Rent]

SALES COMPARISON ANALYSIS

ITEM	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address	865 Euclid Avenue #A,B San Diego	722-724 Quail Street San Diego, Ca 92102		4128-30 Gamma Street San Diego		5575-5577 Roswell Street San Diego	
Proximity to subject		1.45 miles		2.08 miles		0.51 miles	
Sales price	$	☒ Unf. ☐ Furn. $ 309,000		☒ Unf. ☐ Furn. $ 319,000		☒ Unf. ☐ Furn. $ 329,337	
Sales price per GBA	$	$ 156.46		$ 159.82		$ 230.95	
Gross monthly rent	$ 2,400.00	$ 2,290.00		$ 2,350.00		$ 2,100.00	
Gross mo. rent mult. (1)		134.93		135.74		156.83	
Sales price per unit	$	$ 154,500		$ 159,500		$ 164,669	
Sales price per room	$	$ 38,625		$ 39,875		$ 41,167	
Data and/or Verification Sources	Owner/PubRc Inspection	MLS/Public Records #086013290 Mkt 21 days		MLS/Public Records Doc #213376 mkt 60 days		MLS/Public Records Doc #207696 MKT 38 days	
ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (−) $ Adjustment	DESCRIPTION	+ (−) $ Adjustment	DESCRIPTION	+ (−) $ Adjustment
Sales or financing concessions		Conventional None		80% Conv None		None Shown None	
Date of sale/time		05/08/08		04/22/08		04/18/08	
Location	Average/Traffic	Average	-5,000	Average	-5,000	Average	-5,000
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	6,900 sq.ft.	6250 sq.ft.		5950 sq.ft.		7531 sq.ft.	0
View	Area	None	+10,000	None	+10,000	Area	
Design and appeal	Average	Average		Average		Average	
Quality of construction	Average	Average		Average		Average	
Age	19 yrs	59 yrs	+15,000	53 yrs	+15,000	50 yrs	+15,000
Condition	Average	Average		Average		Average	
Gross Building Area	2,008 Sq. ft.	1,975 Sq. ft.	0	1,996 Sq. ft.	0	1,426 Sq. ft.	+14,500
Unit breakdown (No. of units / Rm. count Tot Br Ba / No. Vac.)	1 / 5 3 1 / 0 1 / 5 3 1 / 0	1 / 4 2 1 / 1 1 / 4 2 1 / 1	+10,000 +10,000	1 / 4 2 1 / 0 1 / 4 2 1.5 / 0	+10,000 +10,000	1 / 4 2 1 / 1 1 / 4 2 1 / 1	+10,000 +10,000
Basement description	None	None		None		None	
Functional utility	Average	Average		Average		Average	
Heating/cooling	Wall/None	Wall/None		Wall/None		Wall/None	
Parking on/off site	Off street 3-4	Garage-2	-10,000	Garage-1	-5,000	Garage-1	-5,000
Project amenities and fee (if applicable)	Patio	Patio		Patio		Patio	
Net Adj. (total)		☒ + ☐ − $	30,000	☒ + ☐ − $	35,000	☒ + ☐ − $	39,500
Adjusted sales price of comparable		Net 9.7 % Gross 19.4 % $	339,000	Net 11.0 % Gross 17.2 % $	354,000	Net 12.0 % Gross 18.1 % $	368,837

Comments on sales comparison (including reconciliation of all indicators of value as to consistency and relative strength and evaluation of the typical investor's/purchaser's motivation in that market): See attached addendum for sales comments.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source for prior sales within year of appraisal	11/30/04 $505,000 Public Records	12/19/07 $470,000 trustee's deed NDC/Public Records	12/31/07 $519,399 trustee's deed NDC/Public Records	None N/A NDC/Public Records

Analysis of any current agreement of sale, option, or listing of the subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: See attached addenda.

INC

Total gross monthly estimated rent $ 2,400 X gross rent multiplier (GRM) 145.00 = $ 348,000 INDICATED VALUE BY INCOME APPROACH

Comments on income approach (including expense ratios, if available, and reconciliation of the GRM) See attached addenda.

RECONCILIATION

INDICATED VALUE BY SALES COMPARISON APPROACH .... $ 350,000

INDICATED VALUE BY INCOME APPROACH .... $ 348,000

INDICATED VALUE BY COST APPROACH .... $ 374,080

This appraisal is made ☒ "as is" ☐ subject to the repairs, alterations, inspections, or conditions listed below ☐ subject to completion per plans and specifications.

Comments and conditions of appraisal: The subject property has been appraised "as is", no conditions or repairs requested as of the date of this appraisal. *Information for the subject is based on a lender provided appraisal which was prepared for Morningstar Capital with a file number 865EA-ZJ.*

Final reconciliation: All three approaches were utilized in this analysis, although appraiser has placed most weight on the income & sales comparison approaches. The cost approach was given less weight due to the lack of recent similar land sales and difficulty in estimating depreciation.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/Fannie Mae Form 1004B (Revised 10/94).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF May 13, 2008 (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE $ 350,000.

APPRAISER: Anderson-Buysse Appraisal	SUPERVISORY APPRAISER (ONLY IF REQUIRED):
Signature [signature]	Signature ☐ Did ☐ Did Not Inspect Property
Name David J. Buysse	Name
Date Report Signed May 14, 2008	Date Report Signed
State Certification # AR004825 State CA	State Certification # State
Or State License # State	Or State License # State

EXH C
PG 04

File No. 080197

Supplemental Addendum

File No. 080197

Borrower/Client Downey Savings (client)			
Property Address 865 Euclid Avenue #A,B			
City San Diego	County San Diego	State CA	Zip Code 92114
Lender Downey Savings & Loan Assn., F.A.			

• CONDITIONS OF APPRAISAL

No warranty of the appraised property is given or implied. No liability is assumed for the structural or mechanical elements of the property. This summary appraisal report is intended for use by the lender/client for a mortgage finance transaction only. This report is not intended for any other use. This is a drive by appraisal and the information for the subject's physical features were in part based on a lender provided appraisal or a prior MLS printout. Appraiser has made an extraordinary assumption that the subject's interior is in an average overall condition and that the information represented in the provided appraisal is accurate and complete.

• EDI DOCUMENTATION

If this report was transmitted electronically to the lender/client specified in the report it is for their exclusive use in originating a loan. The electronic signatures within the report are password protected. Any unauthorized use or printing of this appraisal, in full or part, is prohibited by the appraiser.

• Neighborhood Market Factors

There is currently sufficient demand to support the variety of unit types that exist in this market. There is no rent control, and none is likely to occur in the future. Employment stability is average. The tenant/owner occupancy ratio is low, due to the desirability of living in the greater metropolitan San Diego area, and vacancies are stabile at a very low rate. Based on a rental analysis in the subject's market area, 2BR/1BA units in the $450 to $850 range appear to be in the greatest demand.

The current market for multiple unit properties shows an excess of inventory and decreasing property values. This is primarily driven due to the shortage of demand which is the result of a downturn in the local and nation wide economy. Interest rates are favorable and hovering around the 6-6.25% rate for multiple units. The subject's market is expansive and generally includes the zip codes of 92102, 92113, and 92114.

There is a high ratio of active listings to pending and recently sold listings. Lender owned properties make up a large portion of the current sales. Sales concessions of 3% are typical of the subject's market. See attached statistics and cma for additional details.

• Comments on Income Approach

Projected rents were represented for the subject & were based on the rental survey. GRMs range from 113-156 . GRm of 145 was applied to the subject's projected rents. The higher end of the GRM range was applied to the subject. This is due to the fact that the subject is newer in age and has superior bedroom count when compared to most of the comparables.

• Analysis of Current Agreement

A prior expired listing was found for the subject. It expired from the market on 02/02/08 after 223 days on the market. It was listed at $499,000. Last sale was indicated above. No recent 36 month transfers found for the subject. Most of the comparables had prior 12 month transfers of ownership which were the result of lender foreclosures.

Signature David J. Buysse		Signature	
Name David J. Buysse		Name	
Date Signed May 14, 2008		Date Signed	
State Certification # AR004825	State CA	State Certification #	State
Or State License #	State	Or State License #	State

Anderson-Buysse Appraisal

EXH C
PG 05

File No. 080197

SMALL RESIDENTIAL INCOME PROPERTY APPRAISAL REPORT
MARKET DATA ANALYSIS

SALES COMPARISON ANALYSIS

ITEM	SUBJECT	COMPARABLE SALE NO. 4		COMPARABLE SALE NO. 5		COMPARABLE SALE NO. 6	
Address	865 Euclid Avenue #A,B San Diego	5268 A & B Roswell Street San Diego		5326-5328 Santa Margarita San Diego			
Proximity to subject		0.19 miles		0.68 miles			
Sales price	$	☒ Unf. ☐ Furn. $ 340,000		☒ Unf. ☐ Furn. $ 375,000		☐ Unf. ☐ Furn. $	
Sales price per GBA	$	$ 238.43		$ 175.23		$	
Gross monthly rent	$ 2,400.00	$ 3,000.00		$ 3,050.00		$	
Gross mo. rent mult. (1)		113.33		122.95			
Sales price per unit	$	$ 170,000		$ 187,500		$	
Sales price per room	$	$ 42,500		$ 37,500		$	
Data and/or Verification Sources	Owner/PubRc Inspection	MLS/Public Records MLS #076088843 Mkt 150dys		MLS/Public Records MLS #0760915161 91days			
ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (–) $ Adjustment	DESCRIPTION	+ (–) $ Adjustment	DESCRIPTION	+ (–) $ Adjustment
Sales or financing concessions		Pending		Pending			
Date of sale/time		Pending -2%	-6,800	Pending -2%	-7,500		
Location	Average/Traffic	Average	-5,000	Average	-5,000		
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple			
Site	6,900 sq.ft.	9000 sq.ft.	0	9000 sq.ft.	0		
View	Area	Area		None	+10,000		
Design and appeal	Average	Average		Average			
Quality of construction	Average	Average		Average			
Age	19 yrs	55 yrs	+15,000	50 yrs	+15,000		
Condition	Average	Average		Average			
Gross Building Area	2,008 Sq. ft.	1,426 Sq. ft.	+14,500	2,140 Sq. ft.	-3,300	Sq. ft.	0
Unit breakdown (No. of units / Rm. count Tot Br Ba / No. Vac.)	1 / 5 3 1 / 0 1 / 5 3 1 / 0	1 / 4 2 2 / 1 1 / 4 2 2 / 1		1 / 5 3 1 / 0 1 / 5 3 2 / 0	-10,000		
Basement description	None	None		None			
Functional utility	Average	Average		Average			
Heating/cooling	Wall/None	Wall/None		Wall/None			
Parking on/off site	Off street 3-4	Garage-1	-5,000	Garage-2	-10,000		
Project amenities and fee (if applicable)	Patio	Patio		Patio			
Net Adj. (total)		☒ + ☐ - $	12,700	☐ + ☒ - $	10,800	☐ + ☐ - $	
Adjusted sales price of comparable		Net 3.7 % Gross 13.6 % $	352,700	Net 2.9 % Gross 16.2 % $	364,200	Net % Gross % $	
Date, Price and Data Source for prior sales within year of appraisal	11/30/04 $505,000 Public Records	06/28/06 $500000 Public Records		07/27/05 $569000 Public Records			

COMMENTS ON SALES COMPARISON

Comments: Three closed sales and two pending sales have been represented. Dwelling size differences over 100 square feet were adjusted at $25 per square foot. Bedroom count adjusted at $10,000 and bath count adjusted at $10,000 for full bath. No adjustment applied for 1/2 baths. Discretionary adjustments applied for site views and overall location. The subject property is newer in age than most of the comparables and an across the board adjustment was applied for age. The subject is inferior in overall location to the comparables and an across the board adjustment was applied for location.

C1 has inferior bath count within both units. Superior parking facilities.

C2 consists of two detached homes which generally lack a view. No adjustment applied for the 1/2 bath count. One car garage adjusted for.

C3 is very similar in overall location and has a similar view amenity. Smaller in dwelling size. Superior in parking facilities.

Pending sales 4 and 5 were given a minus 2% adjustment for negotiations from the listing price to the final sales price.

Pending sale 4 is very similar in location. Smaller in dwelling size and superior in parking.

Pending sale 5 is very similar in room count and dwelling size. Superior in bath count and parking facilities.

Comparables provided are considered to be the best and most current indicators of value. Comparables 1-3 are very recent closings and have a tight adjusted range of value. Cost and income approaches were found to be supportive although more emphasis placed on the sales comparison approach to value.

File No. 080197

Subject Photo Page

Borrower/Client Downey Savings (client)			
Property Address 865 Euclid Avenue #A,B			
City San Diego	County San Diego	State CA	Zip Code 92114
Lender Downey Savings & Loan Assn., F.A.			

Subject Front
865 Euclid Avenue #A,B
Sales Price
G.B.A. 2,008
Age/Yr.Blt. 19 yrs

Subject Rear

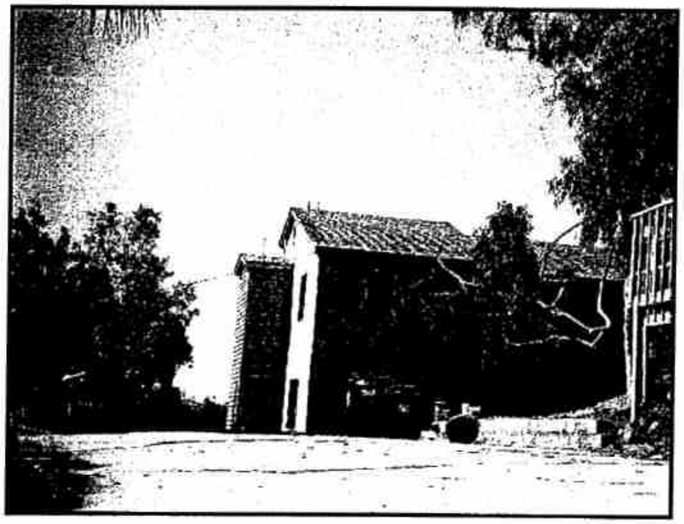
Subject Street

File No. 080197

Subject Photo Page

Borrower/Client Downey Savings (client)			
Property Address 865 Euclid Avenue #A,B			
City San Diego	County San Diego	State CA	Zip Code 92114
Lender Downey Savings & Loan Assn., F.A.			

Subject Side
865 Euclid Avenue #A,B
Sales Price
G.B.A. 2,008
Age/Yr.Blt. 19 yrs



Side

Personal property

EXH C
PG 08

File No. 080197

Comparable Photo Page

Borrower/Client Downey Savings (client)			
Property Address 865 Euclid Avenue #A,B			
City San Diego	County San Diego	State CA	Zip Code 92114
Lender Downey Savings & Loan Assn., F.A.			

Comparable 1
722-724 Quail Street
Sales Price 309,000
G.B.A. 1,975
Age/Yr. Blt. 59 yrs

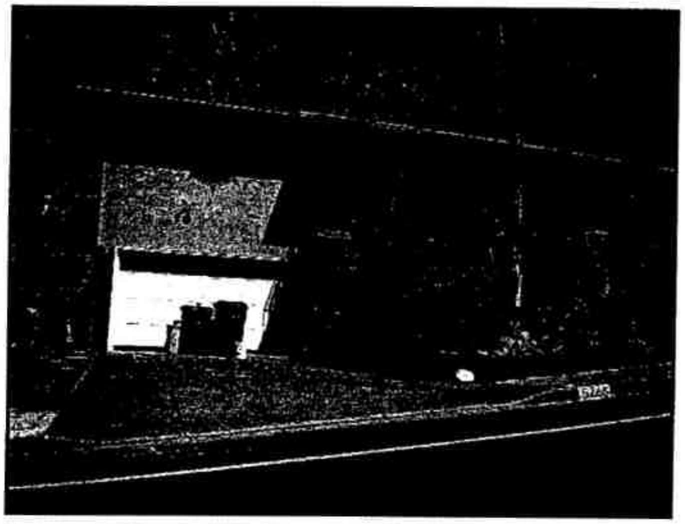
Comparable 2
4128-30 Gamma Street
Sales Price 319,000
G.B.A. 1,996
Age/Yr. Blt. 53 yrs

Comparable 3
5575-5577 Roswell Street
Sales Price 329,337
G.B.A. 1,426
Age/Yr. Blt. 50 yrs

File No. 080197

Comparable Photo Page

Borrower/Client	Downey Savings (client)
Property Address	865 Euclid Avenue #A,B
City San Diego	County San Diego · State CA · Zip Code 92114
Lender	Downey Savings & Loan Assn., F.A.



Comparable 4
5268 A & B Roswell Street

Comparable 5
5326-5328 Santa Margarita

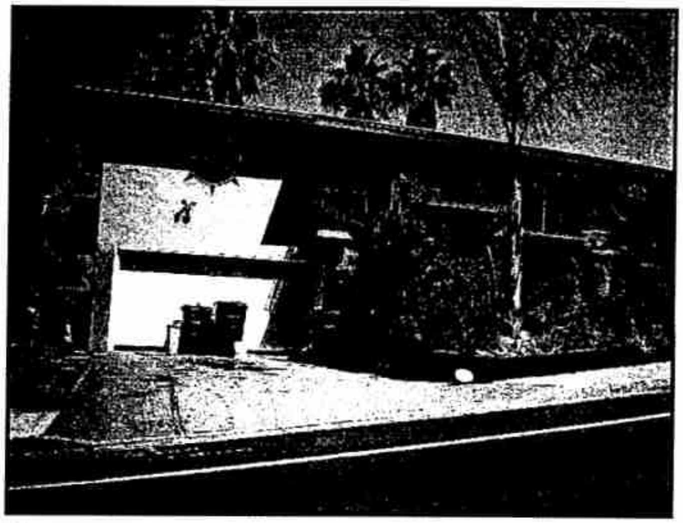
Comparable 6

EXH C
PG 10

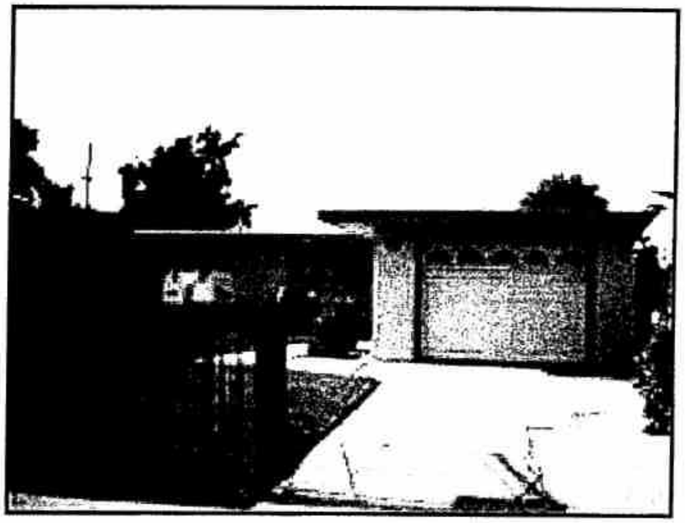
File No. 080197

Rentals Photo Addendum

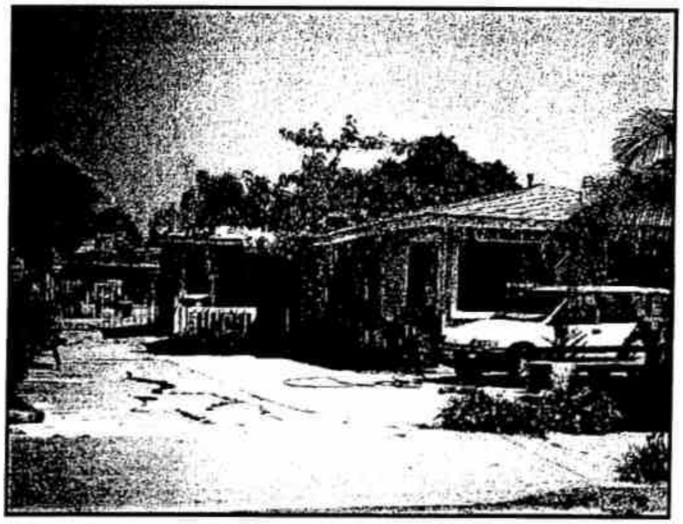
Borrower/Client	Downey Savings (client)						
Property Address	865 Euclid Avenue #A,B						
City	San Diego	County	San Diego	State	CA	Zip Code	92114
Lender	Downey Savings & Loan Assn., F.A.						



Rental Nr. 1



Rental Nr. 2



Rental Nr. 3

File No. 080197

LISTINGS PHOTOGRAPH ADDENDUM

Borrower/Client	Downey Savings (client)
Property Address	865 Euclid Avenue #A,B
City	San Diego County San Diego State CA Zip Code 92114
Lender	Downey Savings & Loan Assn., F.A.

Listing Nr. 1

Listing Nr. 2

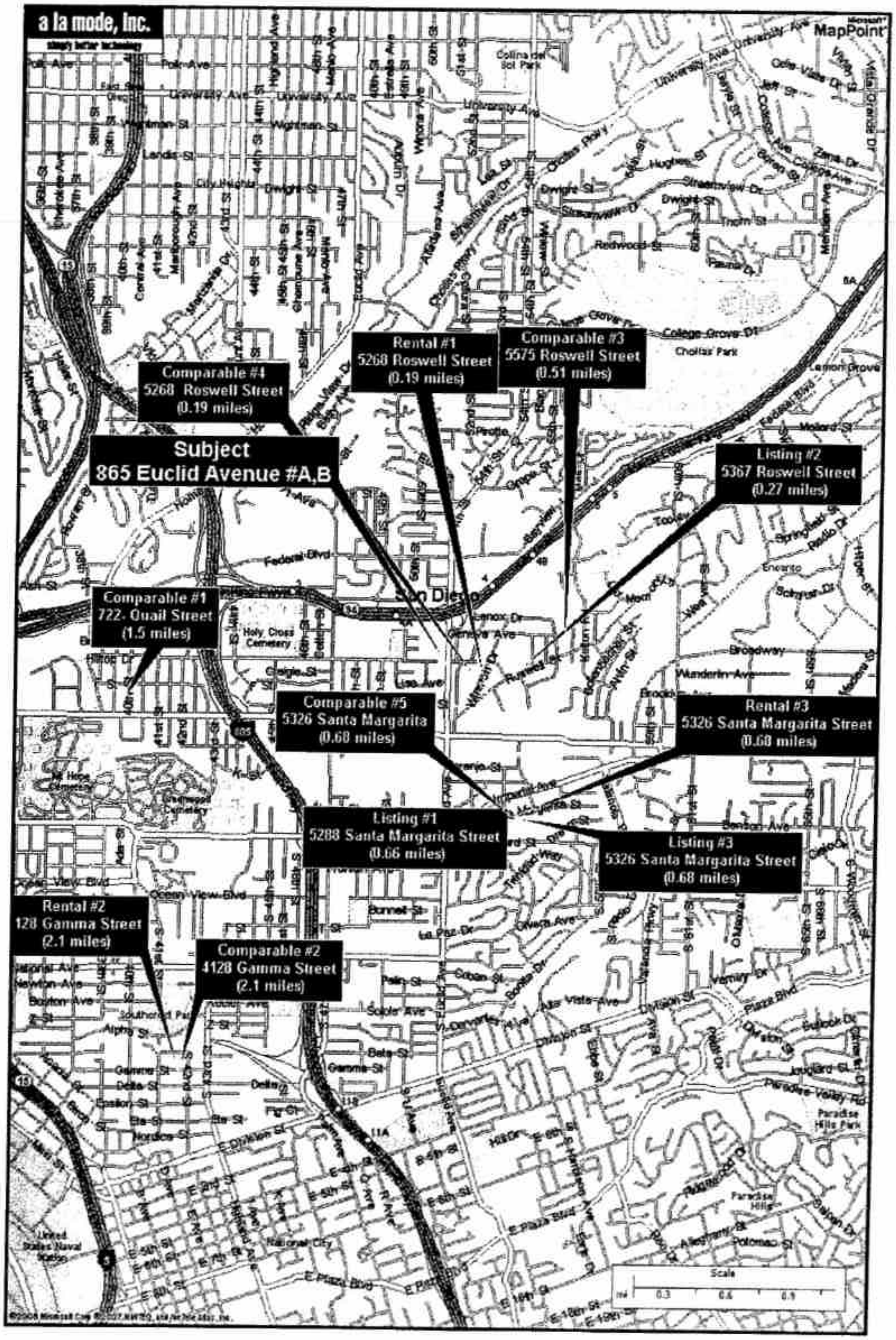
Listing Nr. 3

EXH C
PG 12

File No. 080197

Location Map

Borrower/Client	Downey Savings (client)						
Property Address	865 Euclid Avenue #A,B						
City	San Diego	County	San Diego	State	CA	Zip Code	92114
Lender	Downey Savings & Loan Assn., F.A.						

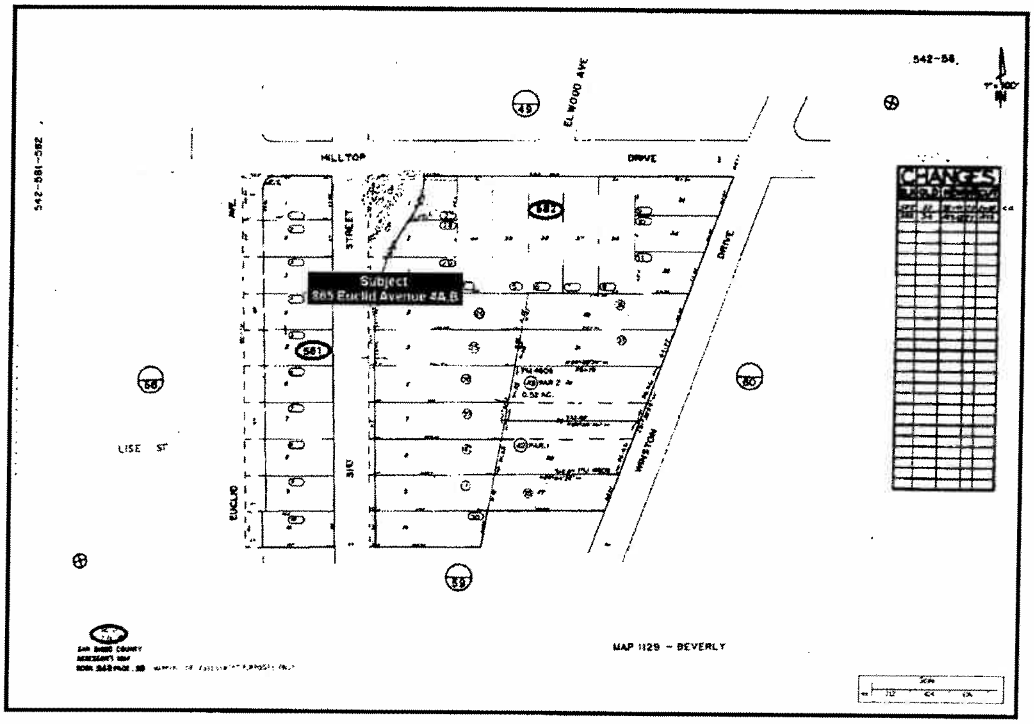

a la mode, inc.
MapPoint
Subject
865 Euclid Avenue #A,B
Comparable #1
722- Quail Street
(1.5 miles)
Comparable #2
4128 Gamma Street
(2.1 miles)
Comparable #3
5575 Roswell Street
(0.51 miles)
Comparable #4
5268 Roswell Street
(0.19 miles)
Comparable #5
5326 Santa Margarita
(0.68 miles)
Listing #1
5288 Santa Margarita Street
(0.66 miles)
Listing #2
5367 Roswell Street
(0.27 miles)
Listing #3
5326 Santa Margarita Street
(0.68 miles)
Rental #1
5268 Roswell Street
(0.19 miles)
Rental #2
128 Gamma Street
(2.1 miles)
Rental #3
5326 Santa Margarita Street
(0.68 miles)
San Diego
Holy Cross Cemetery
Chollas Park
Lemon Grove
National City
Federal Blvd
Ocean View Blvd
University Ave
Imperial Ave
Paradise Hills Park
Scale

EXH C
PG 13

File No. 080197

Plat Map

Borrower/Client	Downey Savings (client)
Property Address	865 Euclid Avenue #A,B
City	San Diego; County: San Diego; State: CA; Zip Code: 92114
Lender	Downey Savings & Loan Assn., F.A.


542-58
542-581-582
ELWOOD AVE
HILLTOP
DRIVE
STREET
Subject
865 Euclid Avenue #A,B
WINSTON
EUCLID
LISE ST
CHANGES
MAP 1129 - BEVERLY

EXH C
PG 14

File No. 080197

Subject Listing

Borrower/Client Downey Savings (client)			
Property Address 865 Euclid Avenue #A,B			
City San Diego	County San Diego	State CA	Zip Code 92114
Lender Downey Savings & Loan Assn., F.A.			

Agent Property Report http://tempo.sandicor.com/SearchDetail/Scripts/PrtAgtFul/PrtAgtFu...

Res Income (2-4 Units) Status: Withdrawn LP: $499,000 REF #: 2

MLS #: 076051980 OLP: $499,000

Listing Type: Exclusive Right (R)

Media: 4

Address: 865 Euclid Ave

City: San Diego Zip: 92114-1018

Cross Street: Hilltop Subdivision: Beverly

Community: ENCANTO Map Code: 1290A5 MT: 223 AMT: 221 LD: 6/26/2007

Directions To Property

General Information

# of Units: 2	Lot Size: Up to & Inc .25 Acres	Cooling: N/K	Age Restriction: N/K
# of Buildings: 1	Lot Dim:	Heat: N/K	Topography: Level
APN: 542-581-02-00	Pets: No Pets Allowed	Lot SqFt: 6,899	Exterior: Stucco Zoning: 2
Year Built: 1989	Source of SqFt: Assessor Record	Sewer: Sewer Connected	Water: N/K
School District: SDUSD	Apprx Acres: 0.15	Stories: 2 Story	View: N/K
Water District:		Site: N/K	
Tenant Pays: N/K			

Remarks

Great opportunity to own large, newer units. These very rentable units have off street parking, large living areas, and views making them easier to rent and retain quality tenants. Do not disturb tenant in lower unit. Buyer to verify all prior to COE. **Confidential Remarks:** One unit will be vacant shortly - call agt for details. Asking price is $0 net to seller, owner will consider short offers.

Additional Information

Boat Facilities: N/K	Irrigation: N/K	Pool: N/K	Spa: N/K
Fencing: N/K	Misc. N/K	Possession: Call Listing Agent	Telecom: N/K
Frontage: N/K	Pets: No Pets Allowed	Security: N/K	
Complex Features: N/K			

Unit Information

	BD	BA	SF	PK	OC	Rent	Deposit
Unit 1	3	1	1000	N/K	TNANT	1200	0
Unit 2	3	1	1000	N/K	TNANT	1200	0

Financing

Terms: Conventional, Cash	1st Assumable:	Gross Sched Income: 28800	Net Oper Income: 0
Total Loan Bal:	2nd Trust Deed:	Other Income: 0	Cap Rate: 0
1st Trust Deed:	2nd Loan type: N	Annual Expense: 0	Assessment: N/K
1st Loan Type: N/K	2nd Interest:	H.O Fee: 0/N/K	HOF Includes: N/K
1st Interest:	2nd Assumable:	Other Fee: 0/N/K	Type of OF: N/K

Office and Showing Instructions

Show Instruct: call agent		Lock Box: No	
List Agent: Michael Cooper	Agent Phone: (619) 840-2415	2nd Agent:	Add'l Phone #:
List Office: San Diego Realty Partners	Office Phone: (800) 643-5782	Broker #: 67062	
Email: Click here to email agent	Fax: (619) 931-1534	Pager:	CVR: No
CBB% 2.5 and CBB$	Subject to Court/Lender Approval: N/A	Manager Name: call agent	Manager Phone: 619-840-2415

Sold Information

Off Market Date: 2/2/2008	Close of Escrow:		Sold Price: $
Sale Agent #:	Sale Agent Name:	SA Phone:	Financing:
Sale Office #:	Sale Office Name:	SO Phone:	

Prepared by: Dave Buysse

Information is believed to be reliable, but not guaranteed

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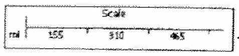
Fri, May 9, 2008 12:53 PM



EXH C
PG 15

File No. 080197

Comparable Sales

Borrower/Client Downey Savings (client)			
Property Address 865 Euclid Avenue #A,B			
City San Diego	County San Diego	State CA	Zip Code 92114
Lender Downey Savings & Loan Assn., F.A.			

Tempo SF Detached Search Results

	085003587					STREET								
45	076083556	0		Q	Expired	5065 Lyon St	92102	1290A2	3	1.5	EA	1150	$ 199,000 - $ 249,000	4/24/2008
46	076082046	2		Q	Expired	5051 ELM STREET	92102	1290A1	3	1	ER	1064	$ 269,900	1/11/2008
47	076000372	2		Q	Expired	5021 Hilltop Dr.	92102	1290A3	3	1.5	ER	1118	$ 329,000	11/29/2007
48	076085784	8		Q	Expired	4863 Date Str	92102	1290A2	3	2	ER	1700	$ 339,900	1/23/2008
49	076069007	0		Q	Expired	222 50th St	92102	1290A4	3	2	ER		$ 350,000 - $ 366,000	12/14/2007
50	076023545	10		Q	Expired	1611 50th St	92102	1290A2	4	2	ER	1439	$ 399,000	12/16/2007
51	076080876	6		Q	Expired	4889 Ebony Ridge Rd	92102	1290A4	4	3	EA	1650	$ 399,999	4/10/2008
52	076071631	2		Q	Expired	4969 Carolina Place	92102	1290BA3	4	2	ER	1170	$ 350,000 - $ 400,000	3/7/2008
53	076084060	12		Q	Expired	5010 Date Pl	92102	1290A2	3	1	ER	1237	$ 399,000 - $ 469,000	1/26/2008
54	076086797	11		Q	Expired	4889 Nogal St	92102	1290A4	4	2.5	EA	1885	$ 480,000	2/15/2008
55	076060280	6		Q	Expired	4825 Mahogany Vista Ln	92102	1290A4	4	2.5	ER	1866	$ 499,800	2/28/2008
56	086011367	5		Q	Expired	4930 Sciola Ave	92113	1290A6	3	2	ER	1054	$ 257,500	3/8/2008
57	076094649	5		Q	Expired	4930 Sciola Ave	92113	1290A6	3	2	ER	1054	$ 267,500	1/14/2008
58	081025662	1		Q	Expired	4802 Reynolds Street	92113	1290A6	3	2	ER	1050	$ 269,900	4/28/2008
59	071078228	3		Q	Expired	1230 Gloria Street	92113	1290A6	3	2	ER		$ 305,000 - $ 325,000	3/7/2008
60	076058930	7		Q	Expired	4930 Sciola Ave	92113	1290A6	3	2	ER	1054	$ 339,900	12/10/2007
61	088008670	1		Q	Expired	5043 PELUSA	92113	1290A6	3	2.5	ER	1696	$ 339,900	4/10/2008
62	072066875	5		Q	Expired	4985 Ocean View Blvd	92113	1290A5	3	2	EA	1250	$ 348,999	12/30/2007
63	076087481	6		Q	Expired	1365 Wystone Drive	92113 *	1290A6	4	2	ER	1345	$ 360,000	4/11/2008
64	076042877	12		Q	Expired	4948 Palin St	92113	1290A5	3	2	EA	1376	$ 368,900	11/26/2007
65	076080118	1		Q	Expired	1385 50th St	92113	1200A6	3	2	EA	1176	$ 369,000 - $ 409,000	1/5/2008
66	086001502	1		Q	Expired	1385 50th St.	92113	1290A6	3	2	ER	1176	$ 389,000 - $ 409,000	1/31/2008
67	076069349	9		Q	Expired	4909 Magnus Way	92113	1290A6	4	2	ER	1345	$ 380,000 - $ 415,000	2/21/2008
68	076085864	0		Q	Expired	5025 Reynolds St	92113	1290A6	5	2	ER	1909	$ 415,000	3/19/2008
69	076072405	0		Q	Expired	5021 Saint Rita Pl	92113	1290A5	4	3	ER	1892	$ 385,000 - $ 435,876	3/30/2008
70	071052013	11		Q	Expired	4921 Sciola Ave	92113	1290A6	3	2	EA		$ 450,000	12/11/2007
71	070098294	2		Q	Expired	1702 National Ave	92113	1290C5	3	3.5	EA	1535	$ 724,000	4/30/2008
72	074044685	5		Q	Cancelled	1401 49th St	92102	1290A2	3	2	ER	1202	$ 349,999	2/21/2008
73	076071282	1		Q	Cancelled	4810 Charles Lewis Way	92102	1290a4	3	3	ER	1506	$ 399,990	12/27/2007
74	076009327	8		Q	Cancelled	1636 49th St	92102	1290A2	4	2	ER	1712	$ 427,000 - $ 472,500	11/20/2007
75	088013244	3		Q	Cancelled	5092 La Paz Dr	92113	1290A5	3	2	ER	1050	$ 199,000	2/21/2008
76	071096395	8		Q	Cancelled	5033 Sciola Ave	92113	1290A6	3	2	ER	1054	$ 299,900	1/16/2008
77	076091003	1		Q	Cancelled	4902 Reynolds St	92113	1290A6	3	2	EA		$ 309,900	1/2/2008
78	088002449	6		Q	Cancelled	4911 Ocean View Blvd	92113	1290A5	3	2	ER	1186	$ 300,000 - $ 325,000	4/14/2008
79	076081735	0		Q	Cancelled	5020 Ocean View Blvd	92113	1290A5	3	2.5	EA	1611	$ 325,000 - $ 340,000	11/19/2007
80	076095033	1		Q	Cancelled	571 DREW VIEW LANE	92113	1290A5	3	2	EA		$ 325,000 - $ 350,000	3/13/2008
81	071081936	5		Q	Cancelled	5055 Holly Dr	92113	1290A4	4	1.5	ER	1594	$ 399,000	2/16/2008
82	078082847	6		Q	Cancelled	1237 Wren St	92113	1290D2	5	3	ER	2755	$ 550,000	4/9/2008
83	088013852	17		Q	Withdrawn	1461 49th Street	92102	1260A2	4	2	ER	1462	$ 348,900	3/20/2008
84	076093055	6		Q	Withdrawn	4903 Burnell St	92113	1290A5	3	1.5	EA	1034	$ 385,000	2/21/2008

Results List Functions

Check All Listings | Map
Narrow Listing(s) | Download
E-mail Listing(s) | Statistics
Send to Prospect | Revise Search

Report Functions

Agent Property Report
Agent Property Quarter Report
Client Property Report
Client Property Quarter Report
CMA Report
CMA Buyer Report

Custom Reports
Save Custom Search
View Search Criteria
Tempo Report Editor

Scale
mi 155 310 465

EXH C
PG 16

File No. 080197

Comparable Sales

Borrower/Client Downey Savings (client)			
Property Address 865 Euclid Avenue #A,B			
City San Diego	County San Diego	State CA	Zip Code 92114
Lender Downey Savings & Loan Assn., F.A.			

Tempo SF Detached Search Results

Page 1 of 3

Click on MLS No. link to view one property

Search Functions

Revise Search | Printer Friendly

Total number of properties found: 84

SF Detached														
RES	MLS No.	Pic	Media	Q	Status	Address	Zip	MAPCD	BR	Baths	LTP	ESF	Price	Date
1	081002785	4		Q	Active	5021 Hilltop Dr	92102	1290A3	3	2	ER	1118	$ 179,500	1/9/2008
2	086029067	1		Q	Active	5062 Beech St	92102	1290A2	3	3	ER	1830	$ 199,900	3/22/2008
3	071075225	4		Q	Active	4967 HILLTOP DRIVE	92102	1290A3	3	1.5	ER	1000	$ 219,000	9/18/2007
4	080004515	3		Q	Active	4936 Date Pl	92102	1290A2	3	1	ER	852	$ 199,000 - $ 229,000	1/17/2008
5	080019750	4		Q	Active	4954 Dafler Pl	92102	1290A1	3	1.75	ER		$ 237,900	3/11/2008
6	080006469	1		Q	Active	4940 Dessco Ct	92102	1290A3	4	1.5	ER	1718	$ 250,000 - $ 260,000	1/21/2008
7	076093923	8		Q	Active	4951 HILLTOP DR	92102	1290A3	3	1.5	ER	1659	$ 285,000	12/10/2007
8	084006308	7		Q	Active	4949 Deaton Dr	92102	1290A1	3	2	ER	1734	$ 309,000	1/22/2008
9	084014943	7		Q	Active	1401 49th St	92102	1290A2	3	2	EA	1202	$ 319,999	2/24/2008
10	086007238	12	▪	Q	Active	5010 Date Pl	92102	1290A2	3	1	ER	1237	$ 345,000	1/28/2008
11	086017524	0		Q	Active	1611 50th St	92102	1290A2	4	1	ER	1439	$ 389,000	3/8/2008
12	084034003	11		Q	Active	4943 Fir St	92102	1290A1	3	2	ER	1446	$ 399,000	5/9/2008
13	080001213	0		Q	Active	4886 Ebony Ridge Road	92102	1290A4	4	2.5	ER	1865	$ 379,000 - $ 399,999	1/4/2008
14	088027076	5		Q	Active	4889 Ebony Ridge Rd	92102	1290A4	4	3	EA	1650	$ 399,999	4/14/2008
15	076090209	6		Q	Active	4864 Nogal St	92102	1290A4	4	2.5	ER	1724	$ 455,000	11/19/2007
16	086007928	5		Q	Active	4923 Bunnell St	92113	1290A5	3	1.5	ER	1034	$ 174,900	1/30/2008
17	076094809	12		Q	Active	4947 PALIN ST	92113	1290A5	3	2	ER	1045	$ 225,000	12/14/2007
18	088031078	0		Q	Active	5035 Pelusa St	92113	1290A6	3	1	EA	1014	$ 252,500	4/28/2008
19	082015218	0		Q	Active	5044 Ocean View Blvd	92113	1290A5	3	2	ER	1498	$ 290,000	2/27/2008
20	080028065	8		Q	Active	5025 Reynolds St	92113	1290A6	5	2	ER	1909	$ 296,000	4/17/2008
21	086006172	10		Q	Active	5034 Cervantes Ave	92113	1290A6	3	2	ER	1176	$ 324,000	1/23/2008
22	072061565	1		Q	Active	4952 Bunnell St	92113	1290A5	3	2	ER	1034	$ 299,999 - $ 324,900	8/1/2007
23	088027176	0		Q	Active	4911 Ocean View Blvd	92113	1290A5	3	2	ER	1186	$ 300,000 - $ 325,000	4/11/2008
24	080015405	1		Q	Active	1211 Gloria st.	92113	1290a5	3	1.75	ER	1050	$ 355,000	2/26/2008
25	086025175	0		Q	Active	4639 Jarrett Court	92113	1290A5	3	2	ER	1397	$ 450,000 - $ 490,000	4/1/2008
26	080025828	8		Q	Pending	4964 Hilltop Dr	92102	1290A3	3	2	ER	1128	$ 179,900	4/17/2008
27	076095071	4		Q	Pending	1745 Duval Street	92102	1290A2	2	1	ER	888	$ 224,910	5/2/2008
28	086027950	1		Q	Pending	4953 Carolina Pl	92102	1290A3	4	2	EA	1170	$ 239,900	4/25/2008
29	085020228	7		Q	Pending	4930 Solola Ave	92113	1290A6	3	2	ER	1054	$ 195,000	4/7/2008
30	086028401	5		Q	Pending	4883 MANOMET ST	92113	1290A5	3	2	ER	1034	$ 269,900	4/27/2008
31	086031974	5		Q	Pending	301 Saint Rita Court	92113	1290AA5	3	2.5	EA	1611	$ 330,000 - $ 330,000	5/6/2008
32	076095613	7		Q	Sold	222 50th St	92102	1290A4	3	2	ER	1170	$ 172,500	1/31/2008
33	081011373	7		Q	Sold	832 Dessco Street	92102	1290a3	3	1.5	ER	1179	$ 218,000	5/8/2008
34	071082309	6		Q	Sold	5032 Westover Pl	92102	1290A1	3	2	ER	1338	$ 220,000	5/1/2008
35	080017433	10		Q	Sold	4853 Date St	92102	1290A2	3	2	ER	1700	$ 240,000	5/6/2008
36	078076887	4		Q	Sold	1627 49th St	92102	1290A2	3	1.5	ER	1108	$ 290,000	12/31/2007
37	071082885	6		Q	Sold	4875 Mahogany Vista Ln	92102	1290A4	4	2.5	ER	1865	$ 350,000	4/15/2008
38	088000605	12		Q	Sold	1814 Oakshire CT	92102	1290A1	3	2	ER	1136	$ 350,000 - $ 350,000	4/30/2008
39	080002790	8		Q	Sold	5092 La Paz Dr	92113	1290A5	3	2	ER	1050	$ 195,000	5/5/2008
40	080015610	1		Q	Sold	5021 Saint Rita Place	92113	1290a4	4	2.5	ER		$ 280,000	4/21/2008
41	080008333	3		Q	Sold	5020 Ocean View Blvd	92113	1290A5	3	2.5	ER	1611	$ 295,000	5/1/2008
42	081004544	7		Q	Sold	5033 Solola Ave	92113	1290A6	3	2	ER	1054	$ 300,000	3/28/2008
43	071069920	5		Q	Sold	5090 Saint Rita Pl	92113	1290A4	3	2	ER	1498	$ 350,000	1/7/2008
44		2		Q	Expired	5051 ELM	92102	1290A1	3	1	ER	1064	$ 241,900	4/30/2008

Scale
mi 155 310 465

EXH C
PG 17

File No. 080197

Statistics

Borrower/Client Downey Savings (client)			
Property Address 865 Euclid Avenue #A,B			
City San Diego	County San Diego	State CA	Zip Code 92114
Lender Downey Savings & Loan Assn., F.A.			

Statistics

Active - 8 Properties Found

	# Bldgs	Total Units	List Price	Sale Price	Days on Market
Min	1	2	$ 209,000	$ 0	3
Avg	1	2	$ 502,874	$ 0	117
Max	3	4	$ 799,000	$ 0	325

Sold - 2 Properties Found

	# Bldgs	Total Units	List Price	Sale Price	Days on Market
Min	1	2	$ 225,000	$ 335,000	93
Avg	1	2	$ 351,500	$ 400,500	93
Max	1	2	$ 478,000	$ 466,000	94

Expired - 17 Properties Found

	# Bldgs	Total Units	List Price	Sale Price	Days on Market
Min	1	2	$ 299,900	$ 0	62
Avg	1	2	$ 562,505	$ 0	176
Max	4	4	$ 999,900	$ 0	347

Pending - 2 Properties Found

	# Bldgs	Total Units	List Price	Sale Price	Days on Market
Min	1	2	$ 234,900	$ 0	8
Avg	1	2	$ 259,950	$ 0	57
Max	1	2	$ 285,000	$ 0	106

Withdrawn - 3 Properties Found

	# Bldgs	Total Units	List Price	Sale Price	Days on Market
Min	1	2	$ 335,000	$ 0	38
Avg	1	3	$ 480,000	$ 0	148
Max	2	4	$ 595,000	$ 0	203

Cancelled - 3 Properties Found

	# Bldgs	Total Units	List Price	Sale Price	Days on Market
Min	1	2	$ 555,000	$ 0	0
Avg	1	2	$ 621,333	$ 0	80
Max	1	3	$ 660,000	$ 0	139

Your Search Criteria Returned 35 Properties

Enter Number of Properties to View: 35 (250 maximum)

View Requested Listings | Revise and search again

Search Criteria: (ListStatus IN ('act') OR (ListStatus IN ('pend','closed','exp','canc','wdn') AND (OffMarketDate>=convert(datetime,'08/01/2007')))) AND (MapColumn LIKE 'H%' OR MapColumn LIKE 'J%') AND (MapRow LIKE '2%' OR MapRow LIKE '3%' OR MapRow LIKE '4%') AND (MapPage LIKE '1283%')

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mi 155 310 465

EXH C
PG 18

File No. 080197

Anderson-Buysse Appraisal
480 N Magnolia Avenue, Suite 102
El Cajon, California 92020

March 13, 2008

Downey Savings & Loan Assn., F.A.
3501 Jamboree Road
Newport Beach, CA 92660

Re: Property: 865 Euclid Avenue #A,B
San Diego, CA 92114
Borrower: Downey Savings (client)
File No.: 080197

Pursuant to your request, we have prepared an appraisal report of the property captioned in the "Summary of Salient Features" which follows. The accompanying report is based on a site inspection of improvements, investigation of the subject neighborhood area of influence, and a review of sales and cost data for similar properties.

This appraisal has been made with particular attention paid to applicable value-influencing economic conditions and has been processed in accordance with nationally recognized appraisal guidelines. The value conclusions stated herein are as of the effective date as stated in the body of the appraisal, and contingent upon the certification and limiting conditions attached.

Electronically transmitted reporting to the Lender/Client specified in the report is for their exclusive use in originating a loan. The electronic signatures within the report are password protected. Any other use or printing of this appraisal in full or part is unauthorized and prohibited by the appraiser.

For all your appraisal services please don't hesitate to contact myself or any of the staff at Anderson-Buysse Appraisal for prompt and professional services to complete your real estate transaction.

Sincerely,

David J. Buysse

File No. 080197

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	865 Euclid Avenue #A,B
	Legal Description	Exc St & Exc St Op Lot 2 Blk 1 of Tract 1129
	City	San Diego
	County	San Diego
	State	CA
	Zip Code	92114
	Census Tract	0030.01
	Map Reference	1290-A5
SALES PRICE	Sale Price	$
	Date of Sale	
CLIENT	Borrower / Client	Downey Savings (client)
	Lender	Downey Savings & Loan Assn., F.A.
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	
	Price per Square Foot	$
	Location	Average/Traffic
	Age	19 yrs
	Condition	Average
	Total Rooms	10
	Bedrooms	6
	Baths	2
APPRAISER	Appraiser	David J. Buysse
	Date of Appraised Value	May 13, 2008
VALUE	Final Estimate of Value	$ 350,000

EXH C
PG 20

File No. 080197

Declaration

Borrower/Client Downey Savings (client)			
Property Address 865 Euclid Avenue #A,B			
City San Diego	County San Diego	State CA	Zip Code 92114
Lender Downey Savings & Loan Assn., F.A.			

9042201137

Style Definition: Body Text 2: Line spacing: 1.5 lines

DECLARATION RE: APPRAISAL OF REAL PROPERTY

STATE OF CA COUNTY OF San Diego

I, David Buysse, declare as follows:

1. That I am a professional real estate appraiser, duly licensed by the State of CA, specializing in the appraisal of single and multi family residences in the San Diego County (region) area.

2. That I have personally performed an appraisal of certain land and improvements located in the County of San Diego, State of CA, and commonly known as 865 Euclid Ave #A&B (street address). A true and correct copy of said appraisal is attached hereto and made a part hereof by this reference.

3. That the present Fair Market Value of the subject real property is as set forth on the attached appraisal.

4. That I have no present or contemplated future interest in any capacity with respect to the said real property, and I have no personal interest or bias with respect to the within proceedings or the parties involved.

IN WITNESS WHEREOF, I hereby declare under penalty of perjury that the foregoing is true and correct and that, if called as a witness, I would testify competently thereto.

DATED 5/13/08 BY [signature]

Please complete and include with your Drive-By or Full Appraisal

-1-

Scale: mi 155 310 465

EXH C
PG 21

File No. 080197

INVOICE

FROM:
Dave Buysse
Anderson-Buysse Appraisal
480 N Magnolia Avenue
Suite 102
El Cajon, CA 92020
Telephone Number: 619-588-9585 Fax Number: 619-588-9587

INVOICE NUMBER
080197
DATE
5/9/2008

TO:

Downey Savings & Loan Assn., F.A.
3501 Jamboree Road
Newport Beach, CA 92660

Telephone Number: (949) 854-3100 Fax Number:
Alternate Number: E-Mail: appraisal_corporate@downe

REFERENCE	
Internal Order #:	080197
Lender Case #:	9042201137
Client File #:	
Main File # on form:	080197
Other File # on form:	9042201137
Federal Tax ID:	33-0798894
Employer ID:	

Thank you for your appraisal order.

DESCRIPTION

Lender: Downey Savings & Loan Assn., F.A. Client: Downey Savings & Loan Assn., F.A.
Purchaser/Borrower: Downey Savings (client)
Property Address: 865 Euclid Avenue #A,B
City: San Diego
County: San Diego State: CA Zip: 92114
Legal Description: Exc St & Exc St Op Lot 2 Blk 1 of Tract 1129

FEES	AMOUNT
	500.00
SUBTOTAL	500.00

PAYMENTS			AMOUNT
Check #:	Date:	Description:	
Check #:	Date:	Description:	
Check #:	Date:	Description:	
		SUBTOTAL	

Payment Due On Receipt, Thank you, Anderson-Buysse Appraisal TOTAL DUE $ 500.00

EXH C
PG 22

Rosario R. Tina and Jesus G. Tina v. Downey Savings And Loan Association, F.A., et al.
U.S.D.C., Southern District of California, Case No. 08 CV 1004 BTM POR

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF SAN DIEGO

I am employed in the County of San Diego; I am over the age of eighteen years and not a party to the within entitled action; my business address is 501 West Broadway, 19th Floor, San Diego, California 92101-3598.

On **July 3, 2008**, I served the following document(s) described as

DEFENDANTS DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A.'S AND DSL SERVICE COMPANY'S RESPONSE TO THE COURT'S ORDER TO SHOW CAUSE RE DISMISSAL

DECLARATION OF J. BARRETT MARUM IN SUPPORT OF DEFENDANTS DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A.'S AND DSL SERVICE COMPANY'S RESPONSE TO ORDER TO SHOW CAUSE RE DISMISSAL

DECLARATION OF DENISE MOELLER IN SUPPORT OF DEFENDANTS DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A.'S AN DSL SERVICE COMPANY'S RESPONSE TO ORDER TO SHOW CAUSE RE DISMISSAL

on the interested party(ies) in this action by placing true copies thereof enclosed in sealed envelopes and/or packages addressed as follows:

Rosario R. Tina Jesus R Tina 865 Euclid Avenue San Diego, CA 92114 Telephone: 619-813-7844	Pro se Plaintiffs
Rosario R. Tina Jesus R Tina 1220 Manchester Street National City, CA 91950	
Law Office Gregory A Akers 10731 Treena Street Suite 209 San Diego, CA 92131-1041 Telephone: 858-635-9350	Bankruptcy Trustee

☐ **BY MAIL:** I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at San Diego, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

☐ **BY HAND DELIVERY:** I caused such envelope(s) to be delivered by hand to the office of the addressee(s).

☒ **BY OVERNIGHT DELIVERY:** I served such envelope or package to be delivered on the same day to an authorized courier or driver authorized by the overnight service carrier to receive documents, in an envelope or package designated by the overnight service carrier.

☒ **FEDERAL:** I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on July 3, 2008, at San Diego, California.

Michele McConnell